

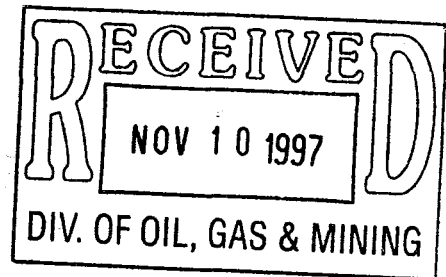


November 7, 1997

Application for Permit to Drill  
NBU #299  
Section 16-T9S-R21E  
Natural Buttes Field  
Uintah County, Utah

**VIA FEDERAL EXPRESS**

Mr. Brad Hill  
State of Utah  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801



Dear Mr. Hill:

Enclosed is the Application for Permit to Drill (APD), the Drilling Program, and the Surface Use and Operations Plan for the following above referenced well.

***Please note that the Surface Use and Operations Plan is subject to change pending completion of the on-site.*** The on-site inspection for this well has been scheduled with Dave Hackford, State of Utah--Roosevelt Office, for Thursday, November 13, 1997.

If you have any questions concerning the enclosed documents, please contact me at (303) 573-4455.

Sincerely,

Sheila Bremer  
Environmental & Safety Analyst

Enclosures

**Coastal Oil & Gas Corporation**

A SUBSIDIARY OF THE COASTAL CORPORATION  
600 17TH ST • STE 800 S • P O BOX 749 • DENVER CO 80201-0749 • 303/572-1121

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. ML-3282	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME Ute Tribe	
2. NAME OF OPERATOR Coastal Oil & Gas Corporation			7. UNIT AGREEMENT NAME Natural Buttes Unit	
3. ADDRESS AND TELEPHONE NO. P.O. Box 749, Denver, CO 80201-0749 (303) 573-4455			8. FARM OR LEASE NAME, WELL NO. NBU 299	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At surface 441 2365' FNL & 1448' FEL At proposed prod. zone 721			9. API WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 48 miles south of Vernal, Utah			10. FIELD AND POOL, OR WILDCAT Natural Buttes Field	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 1448'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 16 T9S-R21E	
16. NO. OF ACRES IN LEASE 280			12. COUNTY OR PARISH Utah	
17. NO. OF ACRES ASSIGNED TO THIS WELL N/A			13. STATE Utah	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. See Topo Map C			14. ROTARY OR CABLE TOOLS Rotary	
19. PROPOSED DEPTH 7,500'			20. APPROX. DATE WORK WILL START* Upon approval	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4893.4' ungraded GR				

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
See Attached				
Drilling Program				

Coastal Oil & Gas Corporation proposes to drill a well to the proposed TD as stated above. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

See the attached Permit Drilling Program and Multi-point Surface Use & Operations Plan.

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. It agrees to be responsible under the terms and conditions of the lease for operations conducted upon the leased lands. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Coastal bonds: BLM Nationwide #U605382-9, BIA Nationwide #114066-A, and State of Utah #102103.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Sheila Bremer SIGNED Sheila Bremer TITLE Environmental & Safety Analyst DATE 11/7/97

(This space for Federal or State office use)

PERMIT NO. 43-044-33012

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conducting operations thereon.

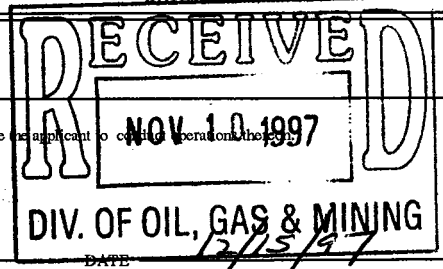
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

\*See Instructions On Reverse Side

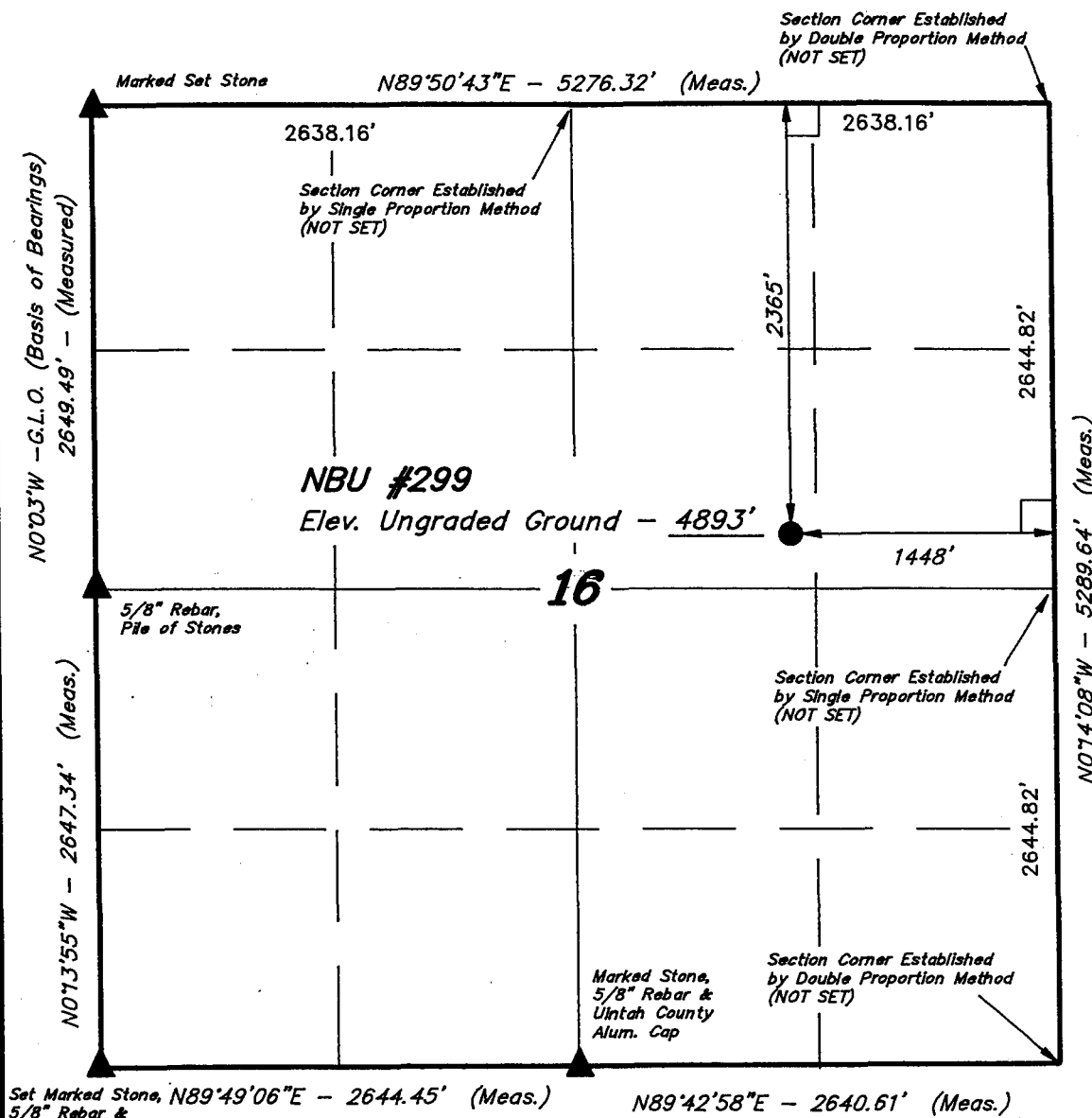
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



**T9S, R21E, S.L.B.&M.**

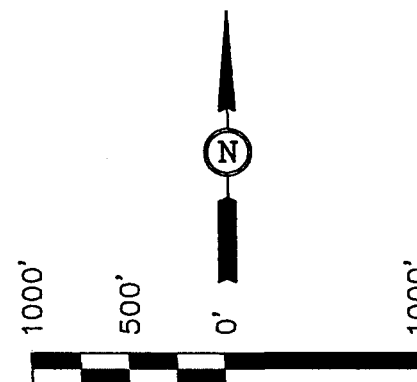
**COASTAL OIL & GAS CORP.**

Well location, NBU #299, located as shown in the SW 1/4 NE 1/4 of Section 16, T9S, R21E, S.L.B.&M. Uintah County, Utah.



**BASIS OF ELEVATION**

SPOT ELEVATION AT THE SW CORNER OF SECTION 16, T9S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4867 FEET.



SCALE

**CERTIFICATE**

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

No. 161319  
 R. ROBERT L. JENSEN  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

**UINTAH ENGINEERING & LAND SURVEYING**  
 85 SOUTH 200 EAST - VERNAL, UTAH 84078  
 (801) 789-1017

Set Marked Stone, N89°49'06"E - 2644.45' (Meas.)

5/8" Rebar & Uintah County Alum. Cap

**LEGEND:**

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

SCALE 1" = 1000'	DATE SURVEYED: 4-17-97	DATE DRAWN: 5-8-97
PARTY L.D.T. B.G. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE COASTAL OIL & GAS CORP.	



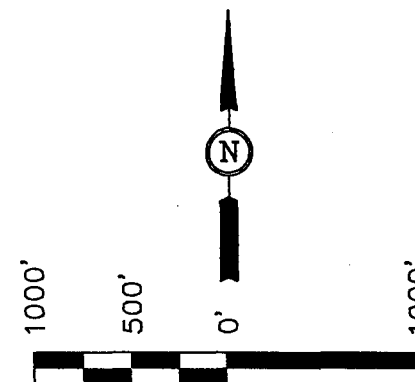
**T9S, R21E, S.L.B.&M.**

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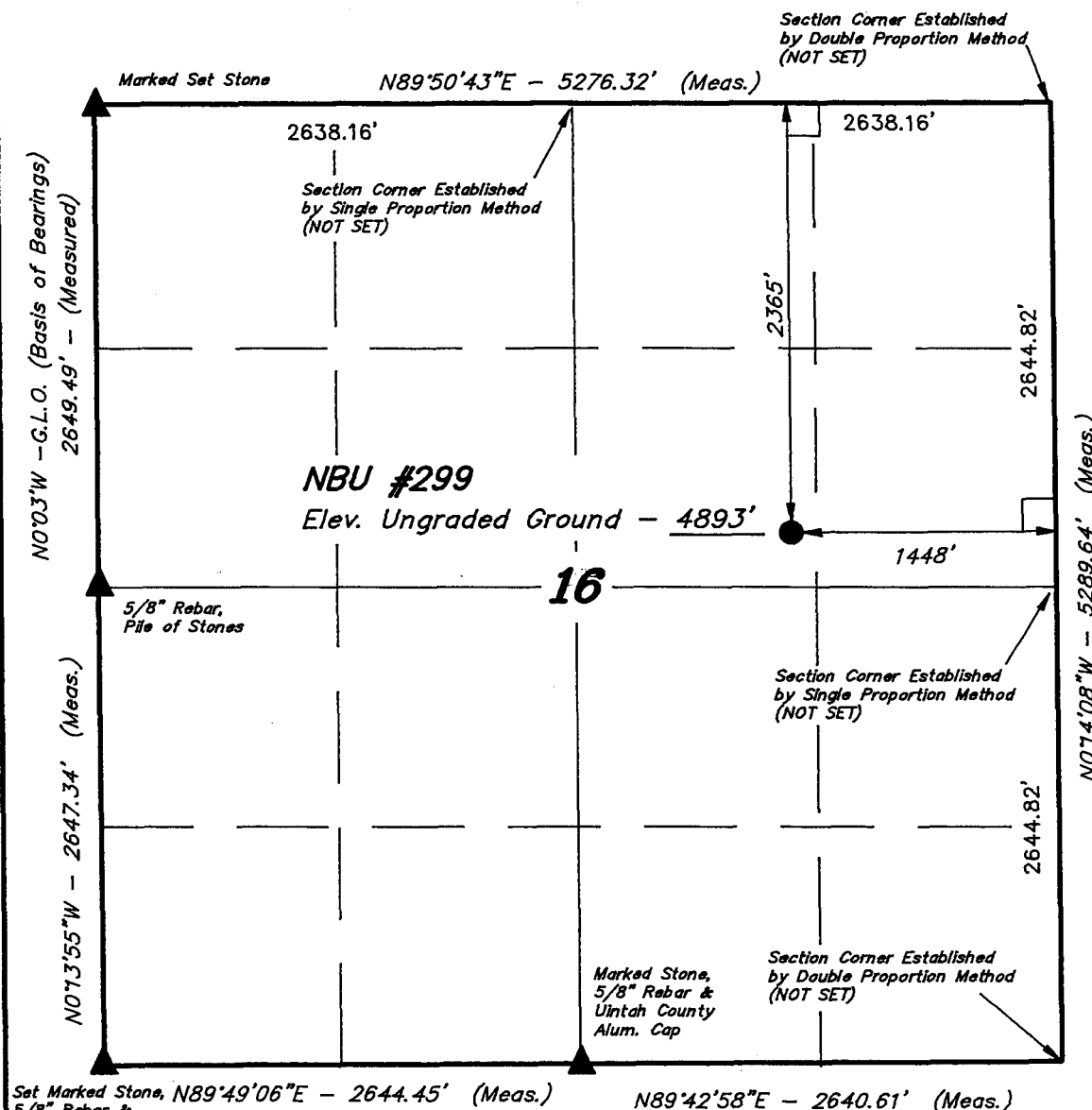
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No. 161319  
**ROBERT C. COX**  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

**UINTAH ENGINEERING & LAND SURVEYING**  
 85 SOUTH 200 EAST - VERNAL, UTAH 84078  
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SCALE 1" = 1000'	DATE SURVEYED: 4-17-97	DATE DRAWN: 5-8-97
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WEATHER WARM	FILE COASTAL OIL & GAS CORP.	



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▲ = SECTION CORNERS LOCATED.

**NBU #299  
2365' FNL & 1448' FEL  
SW/NE, SECTION 16-T9S-R21E  
UINTAH COUNTY, UTAH  
ML-3282**

**COASTAL OIL & GAS CORPORATION**

***DRILLING PROGRAM***

The proposed wellsite is on Ute Tribal surface/State of Utah minerals.

1. **Estimated Tops of Important Geologic Markers:**

Formation	Depth
Duchesne River/Uinta	Surface
Green River	1,895'
Wasatch	5,205'
Total Depth	7,500'

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

Substance	Formation	Depth
Oil/Gas	Green River	1,895'
Oil/Gas	Wasatch	5,205'
Water	N/A	
Other Minerals	N/A	

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. Oil and gas shows will be tested to determine commercial potential.

3. **Pressure Control Equipment:** (Schematic Attached)

Coastal Oil & Gas Corporation's minimum specifications for pressure control equipment are as follows:

The BOP and related equipment shall meet the minimum requirements for equipment and testing requirements, procedures, etc., for a 2M psi system, including a 2,000 psi annular preventer and a 3,000 psi ram preventer. Individual components shall be operable as designed. Chart recorders will be used for all pressure tests. The rams, choke manifold, kelly safety valves, drill string safety valves, and inside BOP will be tested to 2,000 psi. The annular preventer will be tested to 70% of 2,000 psi.

4. **Proposed Casing and Cementing Program:**

- a. The proposed Casing Program will be as follows:

Purpose	Depth	Hole Size	Csg. Size	Wt/ft	Grade	Type
Surface	0-250'	11" or 12 1/4"	8 5/8"	24#	K-55	ST&C
Production	0-TD	7 7/8"	4 1/2"	11.6#	N-80	LT&C

- b. The Cement Program will be as follows:

Surface	Type & Amount
0-250'	A minimum of 85 sx Class "G" + 2% CaCl <sub>2</sub> , 15.6 ppg, 1.19 cf/sx (Cement will be circulated to surface, about 25% excess.)
Production	Type & Amount
500' above productive interval-surface	Lead: Extended, Lite, or Hi-Fill cement + additives, 11 or 12 ppg, 2.69 cf/sx
TD-500' above productive interval	Tail: Extended Class "G" or 50:50 Poz + additives, 14 ppg ; or RFC, 14.0-14.5 ppg, 1.57 cf/sx

For production casing, actual cement volumes will be determined from the caliper log plus 10 - 15% excess.

For surface casing, waiting on cement time will be adequate to achieve 500 psi compressive strength at the shoe prior to drilling out.

5. **Drilling Fluids Program:**

Interval	Type	Mud Wt.
0-TD'	Air/Air Mist/Aerated Water/Water (As hole conditions warrant.) Displace hole to 10 ppg brine mud prior to logging.	8.4 ppg or less

No chromate additives will be used in the mud system without prior approval to ensure adequate protection of fresh water aquifers.

**6. Evaluation Program:****a. Logging Program:**

DLL/Caliper: TD to base of surface casing

FDC/CNL/GR: TD to 2,500'

Drill Stem Tests: As deemed necessary.

Cores: As deemed necessary.

The Evaluation Program may change at the discretion of the well site geologist.

- b. No drill stem tests, stimulation, or frac treatment has been formulated for this well at this time; however, the drill site, as approved, will be of sufficient size to accommodate all completion activities. Any frac treatment program specifics will be submitted via sundry notices.

**7. Abnormal Conditions:**

No abnormal temperatures or pressures are anticipated. No hydrogen sulfide has been encountered in or is known to exist from previous drilling in the area at this depth. Maximum anticipated bottomhole pressure approximately equals 3,000 psi (calculated at 0.4 psi/foot) and maximum anticipated surface pressure equals approximately 1,350 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

**8. Variances:**

The Operator requests approval to perform drilling operations without an automatic ignitor because drilling will be performed with an air/mist medium.

The Operator requests that the requirement for a deduster be waived if a mist system is utilized.

The Operator requests a variance from a straight-run blooie line.



**NBU #299  
2365' FNL & 1448' FEL  
SW/NE, SECTION 16-T9S-R21E  
UINTAH COUNTY, UTAH  
ML-3282**

**COASTAL OIL & GAS CORPORATION**  
  
***MULTI-POINT SURFACE USE & OPERATIONS PLAN***

*This Surface Use and Operations Plan is subject to change pending completion of the on-site inspection.*

**1. Existing Roads:**

The proposed wellsite is approximately 48 miles south of Vernal, Utah.

Directions to the location from Vernal, Utah, are:

Proceed westerly from Vernal on U.S. Highway 40 approximately 14.0 miles to the junction of State Highway 88; exit left and proceed south approximately 17.0 miles on State Highway 88 to Ouray, Utah; proceed south from Ouray approximately 6.9 miles on the Seep Ridge Road to the junction of this road and an existing oil field service road to the east; turn left and proceed in an easterly direction approximately 5.0 miles to the junction of this road and an existing road to the north; turn left and proceed in a northerly direction approximately 0.3 miles to the junction of this road and an existing road to the northeast; turn right and proceed in a northeasterly then northerly direction approximately 2.2 miles to the junction of this road and an existing road to the west; turn right and proceed in a westerly direction approximately 2.0 miles to the junction of this road and an existing road to the east; turn right and proceed in an easterly direction approximately 0.2 miles to the existing location CIGE #78C; proceed in an easterly then southeasterly direction approximately 0.2 miles to the existing location CIGE #200 and the beginning of the proposed access road to the southeast; follow road flags in a southeasterly direction approximately 0.2 miles to the proposed location.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

*Improvements to existing access roads shall be determined at the on-site inspection.*

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

**2. Planned Access Roads:**

Approximately 0.2 miles of new access will be required. The new access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet, **unless modified at the on-site inspection.** Appropriate water control will be installed to control erosion.

**Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities shall be determined at the on-site.**

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. **Location of Existing Wells Within a 1-Mile Radius:** (See Map C)

- a. Water wells - 0
- b. Producing wells - 22
- c. Drilling wells - 0
- d. Shut-in wells - 0
- e. Temporarily abandoned wells - 0
- f. Disposal wells - 0
- g. Abandoned wells - 1
- h. Injection wells - 0

4. **Location of Existing and Proposed Facilities:**

The following guidelines will apply if the well is productive.

- a. All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.
- b. A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.
- c. All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, Munsell standard color number 2.5Y 6/2.

- d. Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

- e. The proposed pipeline will leave the well pad in a westerly direction for an approximate distance of 1160' to tie into an existing pipeline. Please see Map D.

5. **Location and Type of Water Supply:**

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Section 32-T4S-R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. **Source of Construction Materials:**

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. **Methods of Handling Waste Materials:**

- a. Drill cuttings will be contained and buried in the reserve pit.
- b. Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.
- c. The reserve pit will be constructed on the location and will not be located within natural drainages, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

If it is determined at the onsite inspection that a pit liner is necessary, the reserve pit will be lined with a synthetic reinforced liner a minimum of 10 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. Trash or scrap that could puncture the liner will not be disposed of in the pit.

- d. Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.
- e. A chemical porta-toilet will be furnished with the drilling rig.
- f. Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.
- g. All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

- h. No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

8. **Ancillary Facilities:**

None are anticipated.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s). **This section is subject to modification as a result of the on-site inspection.**

See the attached diagram to describe rig orientation, parking areas, and access roads.

- a. The reserve pit will be located on the northeast side of the location.
- b. The stockpiled topsoil (first six inches) will be stored on the north side of the location. All brush removed from the well pad during construction will be stockpiled separately from the topsoil.
- c. The flare pit will be located on the east side of the location, downwind from the prevailing wind direction.
- d. Access will be from the southwest.
- e. All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

- f. The reserve pit fencing will be on two sides during drilling operations, and on the third and fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. **Plans for Reclamation of the Surface:**

a. **Producing Location:**

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

If a plastic, nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

b. **Dry Hole/Abandoned Location:**

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and the re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

**11. Surface Ownership:****a. Well Pad and Access Road:**

- Bureau of Indian Affairs  
Ute & Ouray Agency  
Ft. Duchesne, Utah 84026

Phone number: (801) 722-2406

**12. Other Information:**

- a. All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.
- b. The Operator will control noxious weeds along right-of-ways for roads, pipelines, well sites, or other applicable facilities.
- c. A Class III archeological survey was conducted by Metcalf Archaeological Consultants, Inc. A copy of this report is attached.
- d. Right-of-way documents will be delivered to the BIA office under separate cover.

**13. Lessee's or Operators's Representative and Certification:**

Sheila Bremer  
Environmental & Safety Analyst  
Coastal Oil & Gas Corporation  
P.O. Box 749  
Denver, CO 80201-0749  
(303) 573-4455

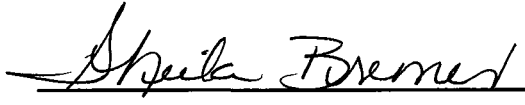
Tom Young  
Drilling Manager  
Coastal Oil & Gas Corporation  
9 Greenway Plaza  
Houston, TX 77046  
(713) 418-4156

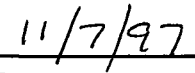
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made

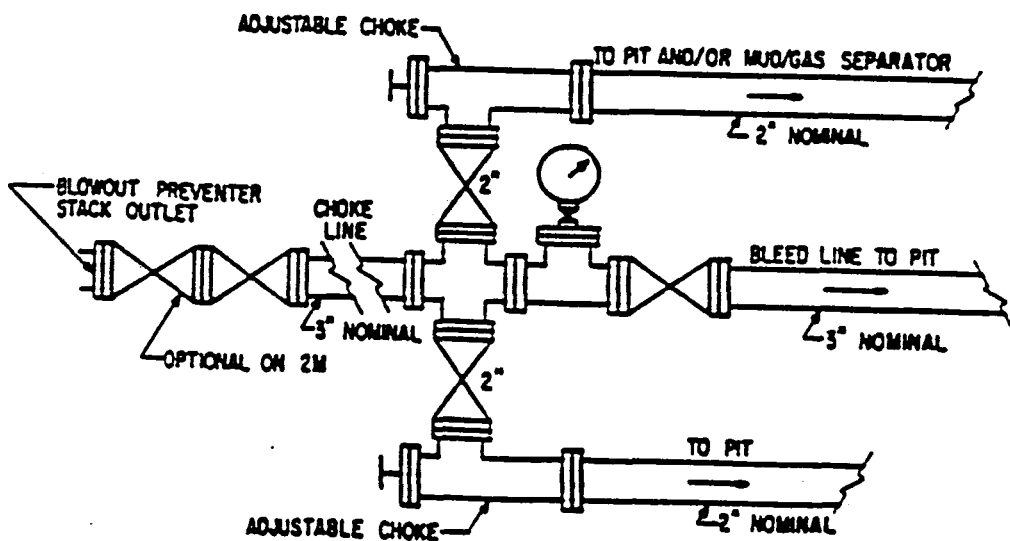
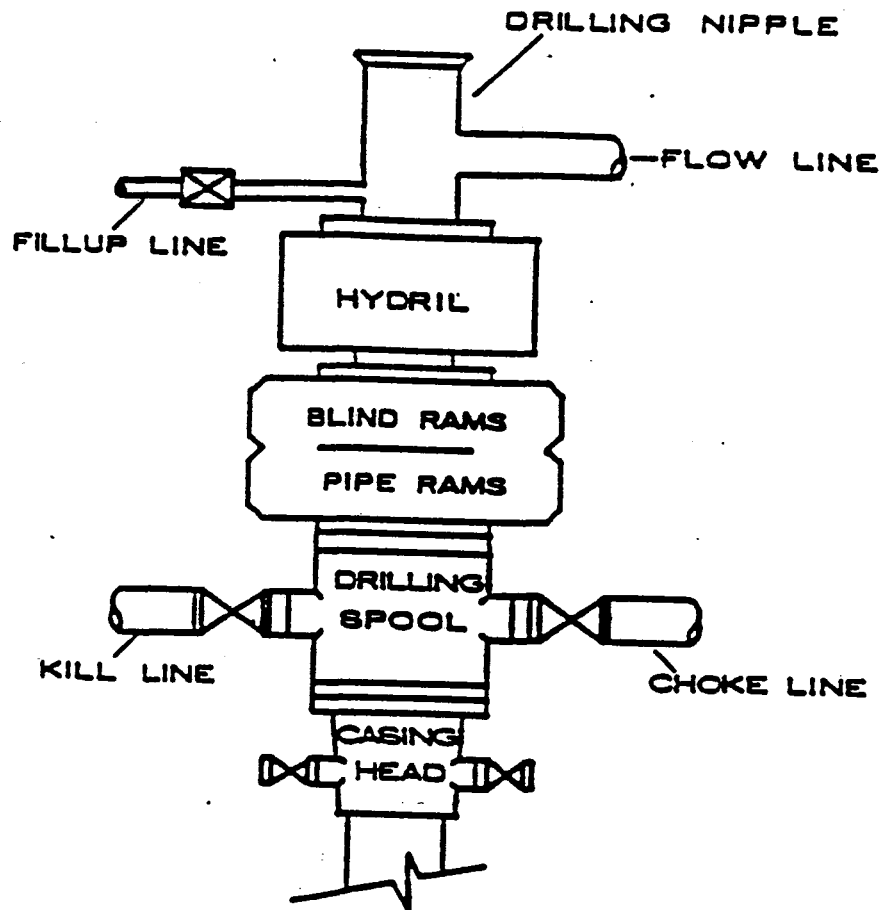
in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the operator, its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

  
\_\_\_\_\_  
Sheila Bremer

  
\_\_\_\_\_  
Date

3,000 PSI

## BOP STACK





# COASTAL OIL & GAS CORP.

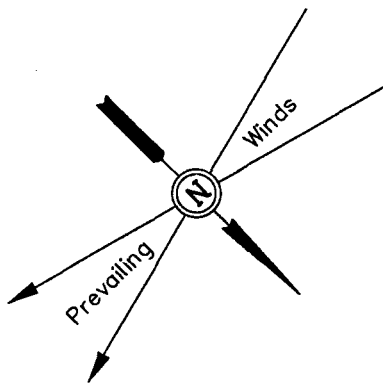
FIGURE #1

## LOCATION LAYOUT FOR

NBU #299

SECTION 16, T9S, R21E, S.L.B.&M.

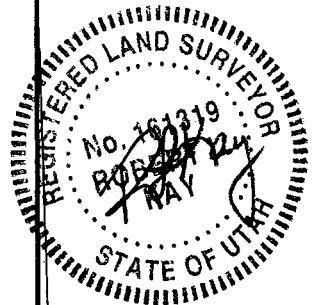
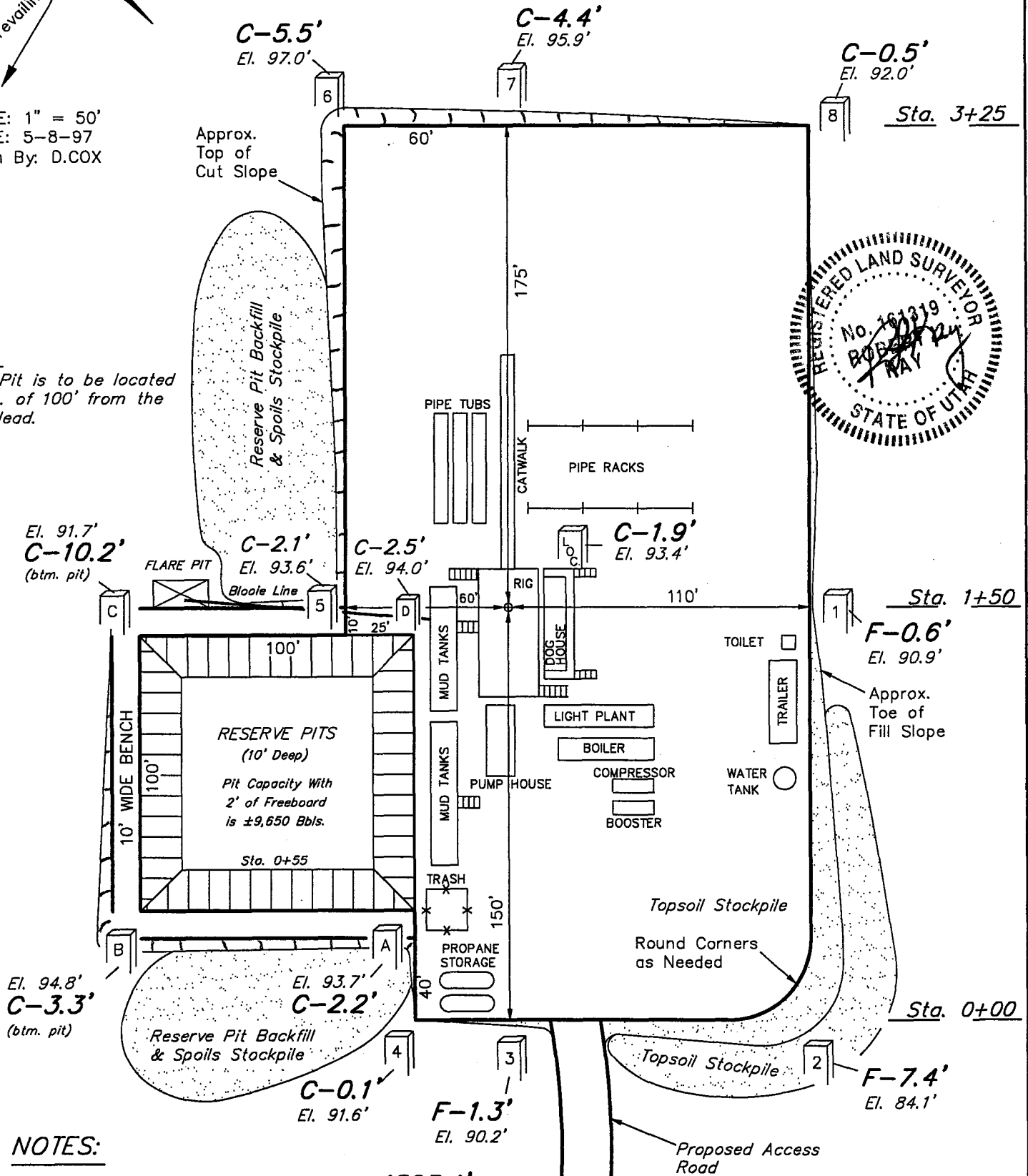
2365' FNL 1448' FEL



SCALE: 1" = 50'  
DATE: 5-8-97  
Drawn By: D.COX

### NOTE:

Flare Pit is to be located  
a min. of 100' from the  
Well Head.



### NOTES:

Elev. Ungraded Ground At Loc. Stake = 4893.4'

FINISHED GRADE ELEV. AT LOC. STAKE = 4891.5'

UINTAH ENGINEERING & LAND SURVEYING

85 South 200 East Vernal, Utah

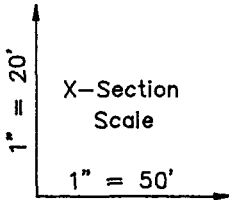
# COASTAL OIL & GAS CORP.

## TYPICAL CROSS SECTIONS FOR

NBU #299

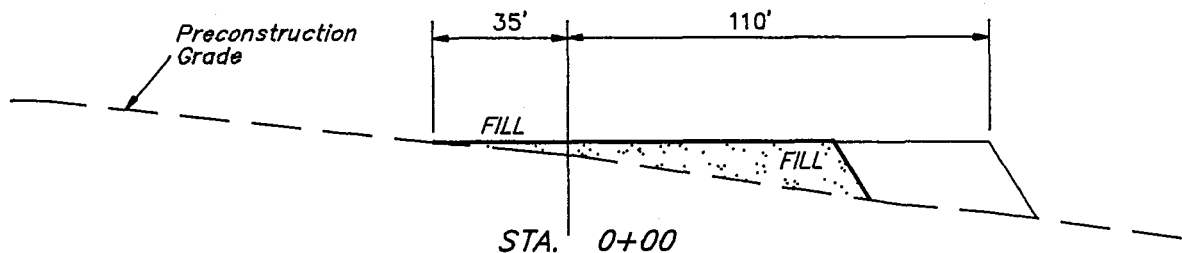
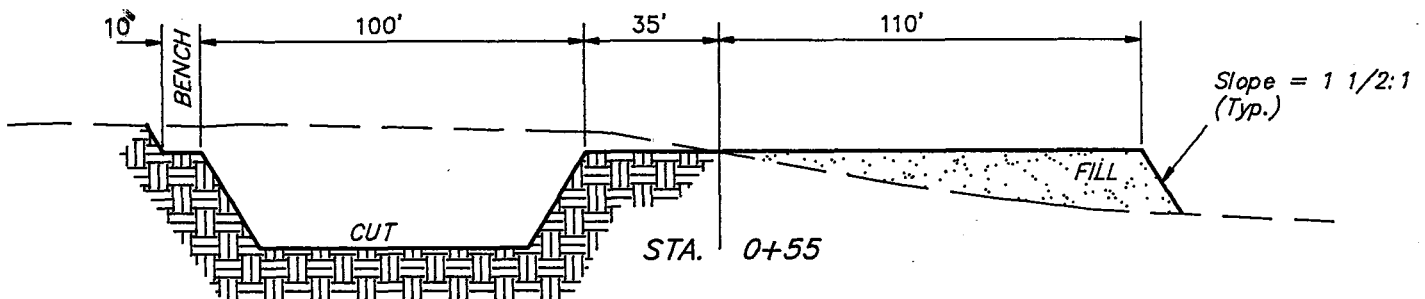
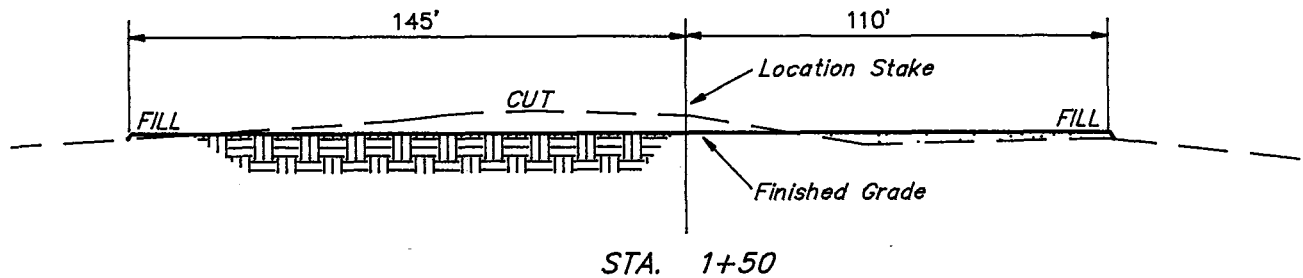
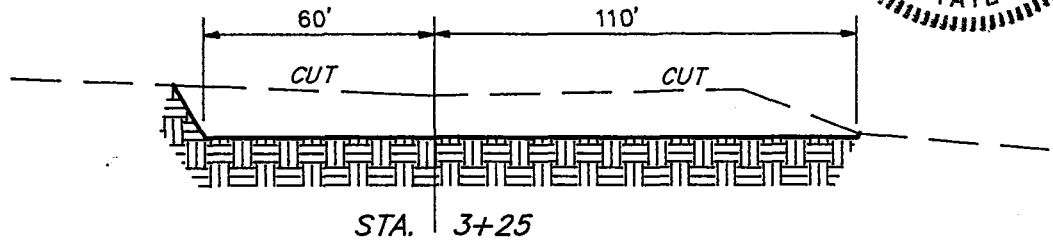
SECTION 16, T9S, R21E, S.L.B.&M.

2365' FNL 1448' FEL



DATE: 5-8-97

Drawn By: D.COX



**FIGURE #2**

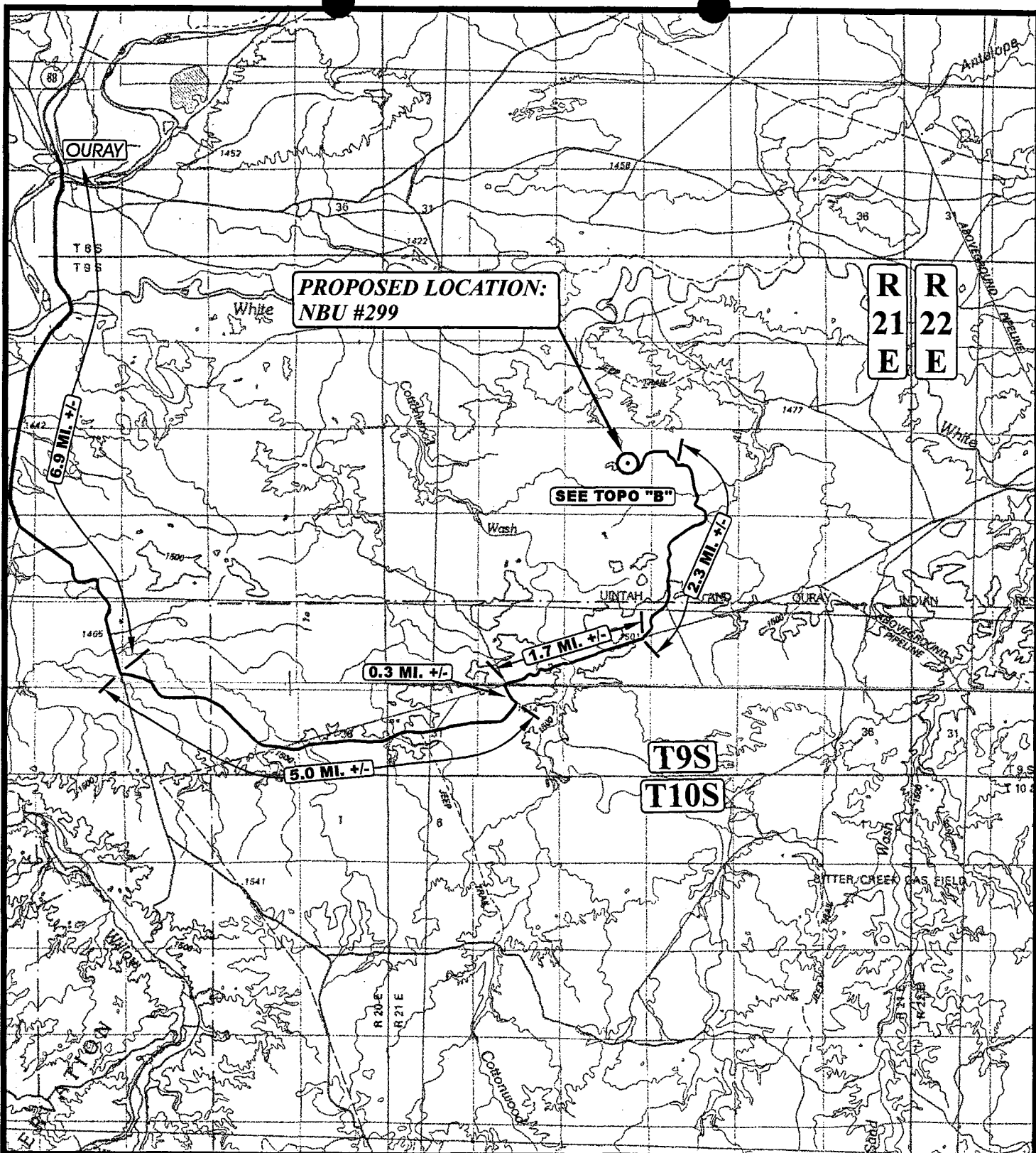
### APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping	= 2,280 Cu. Yds.
Remaining Location	= 4,630 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 6,910 CU.YDS.</b>
<b>FILL</b>	<b>= 3,130 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 3,620 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,620 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING

85 South 200 East Vernal, Utah



# LEGEND:

○ PROPOSED LOCATION

## COASTAL OIL & GAS CORP.

NBU #299

SECTION 16, T9S, R21E, S.L.B.&M.  
2365' FNL 1448' FEL



Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813



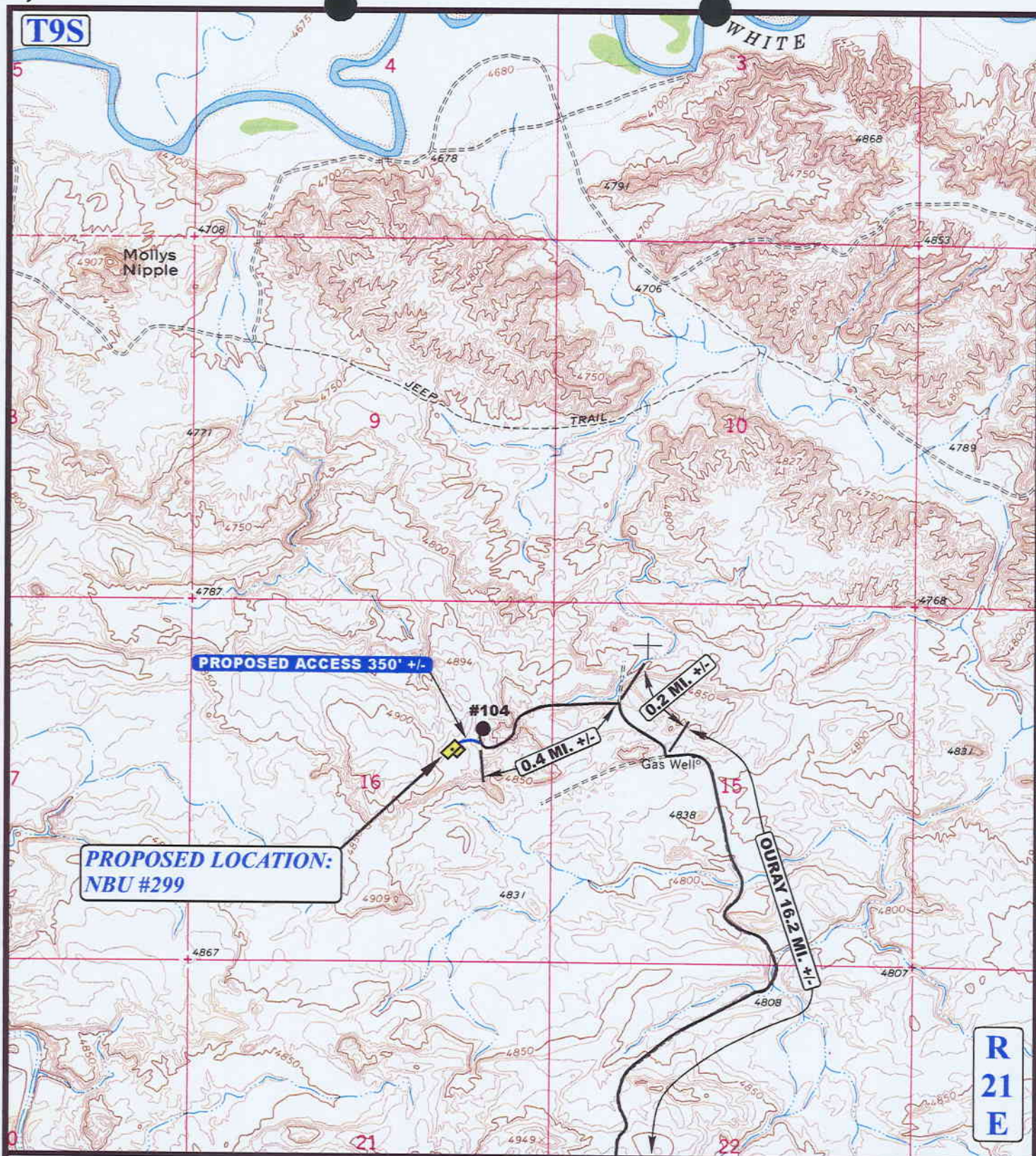
TOPOGRAPHIC  
MAP

12 2 97  
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: D.COX REVISED: 00-00-00

A  
TOPO





# LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



## COASTAL OIL & GAS CORP.

NBU #299  
SECTION 16, T9S, R21E, S.L.B.&M.  
2365' FNL 1448' FEL



Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC  
MAP

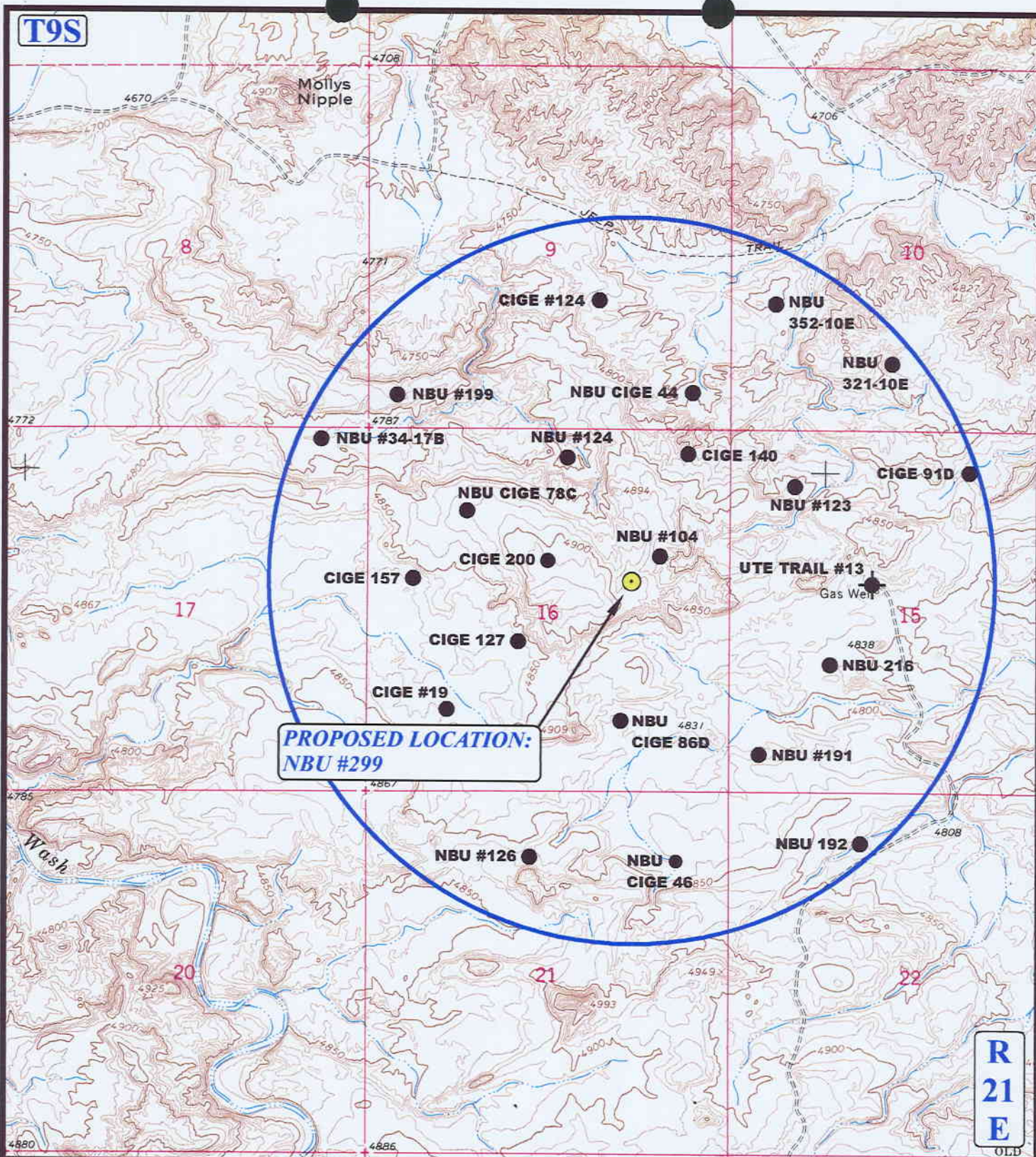
12 2 97  
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00

**B**  
TOPO



**T9S**



**R  
21  
E**

**LEGEND:**

- |                   |                         |
|-------------------|-------------------------|
| ○ DISPOSAL WELLS  | ○ WATER WELLS           |
| ● PRODUCING WELLS | ⊕ ABANDONED WELLS       |
| ⊖ SHUT IN WELLS   | ⊖ TEMPORARILY ABANDONED |



**COASTAL OIL & GAS CORP.**

**NBU #299**  
**SECTION 16, T9S, R21E, S.L.B.&M.**  
**2365' FNL 1448' FEL**



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

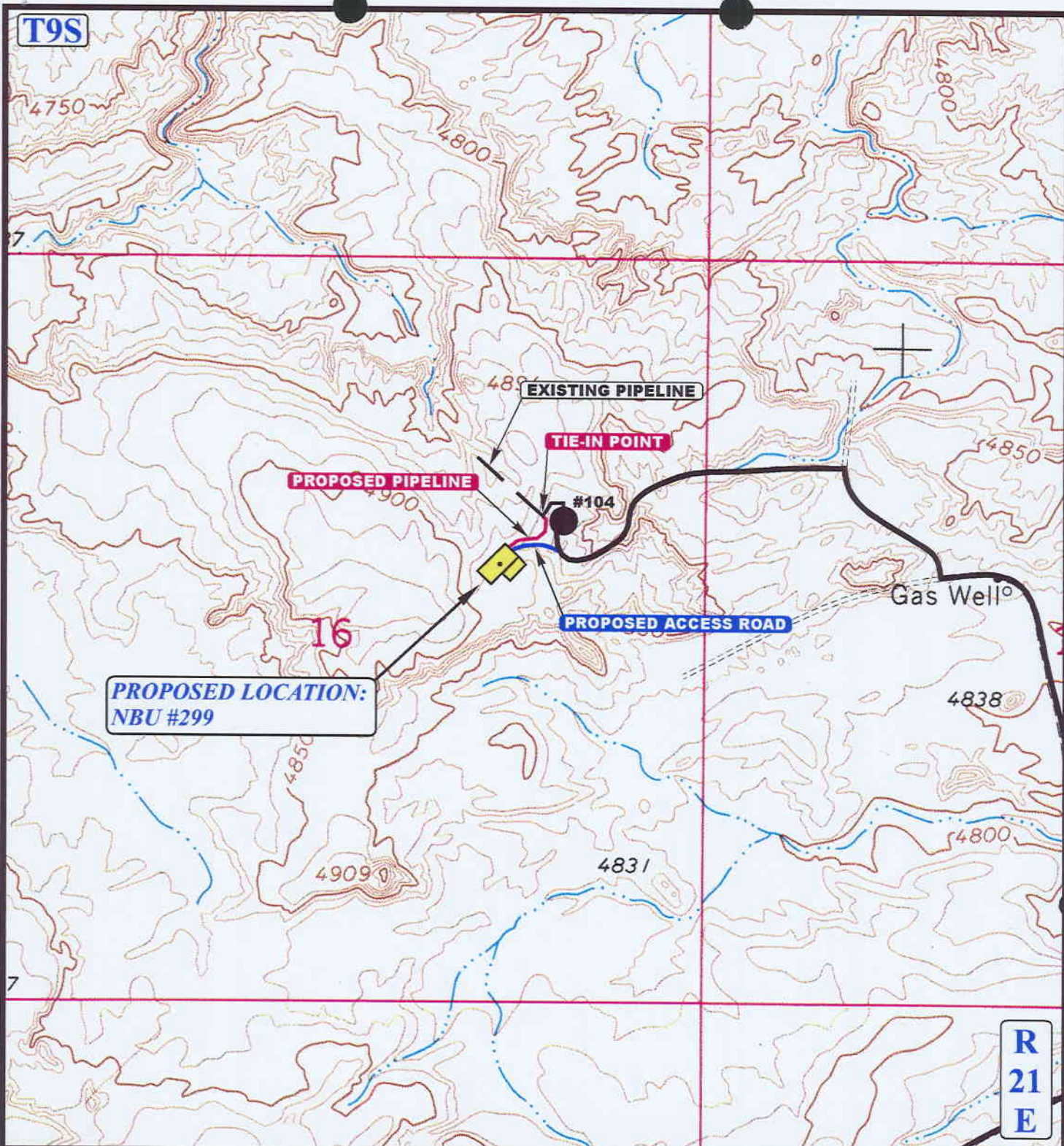
**TOPOGRAPHIC** **12** **2** **97**  
**MAP** MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: D.COX REVISED: 00-00-00





T9S



**APPROXIMATE TOTAL PIPELINE DISTANCE = 576' +/-**

**LEGEND:**

- — — — — EXISTING PIPELINE
- - - - - PROPOSED PIPELINE
- — — — — PROPOSED ACCESS

**COASTAL OIL & GAS CORP.**

**NBU #299**

**SECTION 16, T9S, R21E, S.L.B.&M.**

**2365' FNL 1448' FEL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

**12** **2** **97**  
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: D.COX REVISED: 00-00-00

**D**  
**TOPO**

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/10/97

API NO. ASSIGNED: 43-047-33012

WELL NAME: NBU 299

OPERATOR: COASTAL OIL & GAS CORP (N0230)

PROPOSED LOCATION:

SWNE 16 - T09S - R21E  
SURFACE: 2365-FNL-1448-FEL  
BOTTOM: 2365-FNL-1448-FEL  
UINTAH COUNTY  
NATURAL BUTTES FIELD (630)

INSPECT LOCATION BY: 11/30/97

TECH REVIEW	Initials	Date
Engineering	<i>SRB</i>	<i>12/15/97</i>
Geology		
Surface		

LEASE TYPE: STA

LEASE NUMBER: ML - 3282

PROPOSED PRODUCING FORMATION: GRRV

RECEIVED AND/OR REVIEWED:

☒ Plat  
☒ Bond: Federal ☐ State ☒ Fee ☐  
(Number 102103)  
☒ Potash (Y/N)  
☒ Oil shale (Y/N)  
☒ Water permit  
(Number 43-8496)  
☒ RDCC Review (Y/N)  
(Date: \_\_\_\_\_)

LOCATION AND SITING:

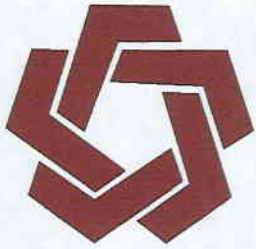
☒ R649-2-3. Unit: NATURAL BUTTES  
\_\_\_\_ R649-3-2. General.  
\_\_\_\_ R649-3-3. Exception.  
\_\_\_\_ Drilling Unit.  
\_\_\_\_ Board Cause no: \_\_\_\_\_  
\_\_\_\_ Date: \_\_\_\_\_

COMMENTS: Casing OK, Cement strip. needed, BOP OK.

STIPULATIONS:

1. Statement of Basis  
2. Oil Shale - 4 1/2" casing  
3. Cement - 4 1/2" casing - to surface.





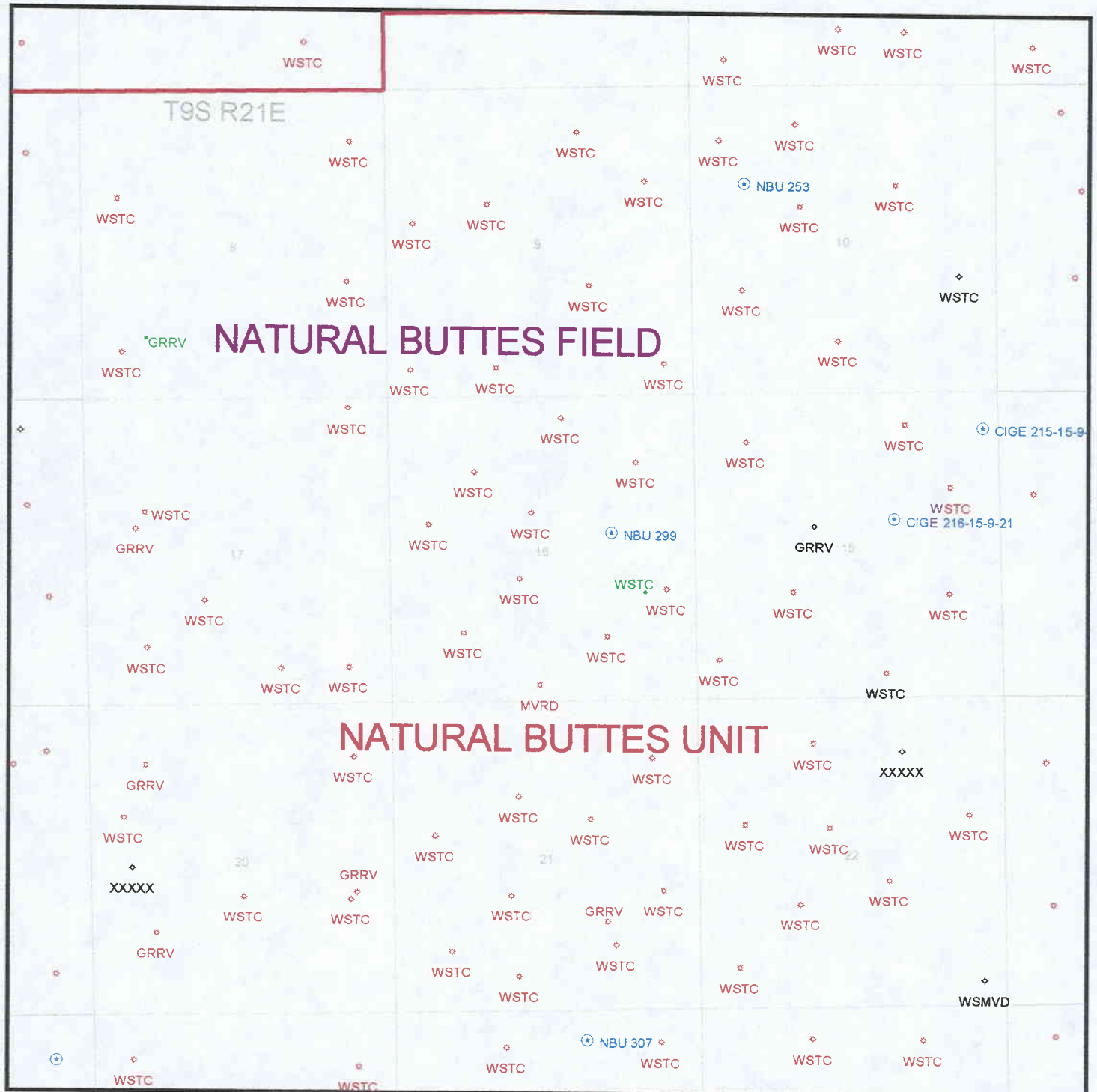
DIVISION OF OIL, GAS & MINING

OPERATOR: COASTAL OIL & GAS CORP (N0230)

FIELD: NATURAL BUTTES (630 )

SEC. TWP. RNG.: SEC. 16, T9S, R21E

COUNTY: UINTAH UAC: R649-2-3 NATURAL BUTTES



DATE PREPARED:  
11-NOV-1997



DIVISION OF OIL, GAS AND MINING

**APPLICATION FOR PERMIT TO DRILL  
STATEMENT OF BASIS**

**Operator:** COASTAL OIL & GAS CORP.  
**Well Name & Number:** NBU 299  
**API Number:** 43-047-33012  
**Location:** 1/4, 1/4 SW/NE Sec. 16 T. 9S R. 21E

**Geology/Ground Water:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Reviewer:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Surface:**

THE PRE-SITE INVESTIGATION HAS BEEN PERFORMED BY FIELD PERSONNEL ON 11/20/97. ALL APPLICABLE SURFACE MANAGEMENT AGENCIES HAVE BEEN NOTIFIED. PRE-SITE WAS ATTENDED BY DAVID HACKFORD (DOGM), ALVIN IGNACIO (UTE INDIAN TRIBE), DALE HAMBURG (B.I.A.), GREG DARLINGTON (B.L.M.), ROBERT KAY (SURVEYOR), SHEILA BREMER & PAUL BRESHEARS (C.O.G.C.), THREE DIRT CONTRACTORS. SITE IS ON TRIBAL SURFACE WITH STATE MINERALS. SITE IS IN AN AREA OF SAND DUNES WITH SOME SANDSTONE OUTCROPPINGS. STIPULATIONS FOR RESERVE PIT AND SURFACE CONSTRUCTION WILL BE SET BY B.I.A. AND UTE INDIAN TRIBE.

**Reviewer:** DAVID W. HACKFORD

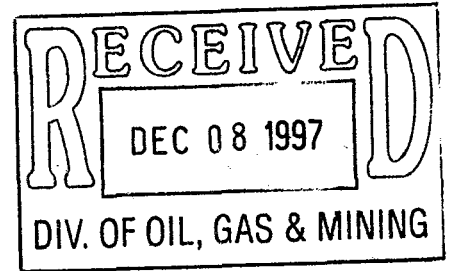
**Date:** 11/20/97

**Conditions of Approval/Application for Permit to Drill:**

1. AS PER B.I. A. AND UTE INDIAN TRIBE.



December 4, 1997



NBU 299  
Section 16-T9S-R21E  
Natural Buttes Field  
Uintah County, Utah

Mr. Brad Hill  
State of Utah  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

Dear Brad:

Attached please find an archaeology report and revised plats showing the access road and pipeline changes for the above referenced well. As a result of the November 20, 1997, onsite, the proposed access road and pipeline were rerouted to the NBU 104 (the road and pipeline originally left the CIGE 200-16-9-21). These changes make the proposed access road and pipeline route shorter and, therefore, require less surface disturbance. Dave Hackford of your Roosevelt office attended this onsite.

If you have any questions, please call me at (303) 573-4455.

Sincerely,

Sheila Bremer  
Environmental & Safety Analyst

Attachments

**Coastal Oil & Gas Corporation**

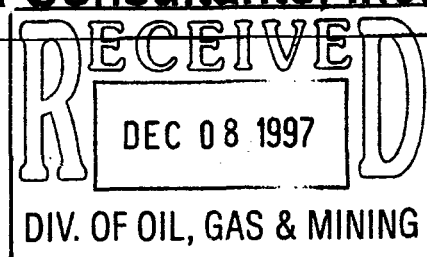
A SUBSIDIARY OF THE COASTAL CORPORATION

600 17TH ST • STE 800 S • P O BOX 749 • DENVER CO 80201-0749 • 303/572-1121



**M A C**

**Metcalf Archaeological Consultants, Inc.**



4 December 1997

**DENVER DISTRICT - E & S**

Sheila Bremmer  
Coastal Oil and Gas Corporation  
PO Box 749  
Denver, CO 80201-0749

**DEC 4 1997**

FAX# 303-573-4417

TFS SCP CEL  
JRN MDE LPS  
XC: DTK  
RJL

Dear Sheila,

Attached is one copy of the cultural resource inventory report for the newly proposed access and pipeline for previously surveyed NBU 299 on Ute tribal land in Uintah County, Utah. This report is an addendum to the original wellpad report (Scott 1997). No cultural resources were encountered during the survey of this newly proposed access and pipeline to previously surveyed NBU 299. Cultural resource clearance is recommended for this access and pipeline as staked at the time of inventory. **This recommendation is subject to approval by the Uintah and Ouray Cultural Rights and Protection Department.**

If you have any questions or comments, please call me.

Sincerely,

Kelly J. Pool

cc: Betsie Chapoose, Cultural Rights and Protection, Uintah and Ouray Agency  
Ferron Secakuku, Energy and Minerals Resources, Uintah and Ouray Agency  
Dale Hanberg, Superintendent, Bureau of Indian Affairs, Ft. Duchesne  
Amy Huslein, Bureau of Indian Affairs, Phoenix

Addendum to:  
Coastal Oil and Gas Corporation's NBU #299  
Well Pad and Access, Cultural Resource Inventory,  
Section 16, T9S, R21E, Uintah County, Utah

Prepared by  
Kelly J. Pool  
Metcalf Archaeological Consultants, Inc.  
Eagle, Colorado

Michael D. Metcalf  
Principal Investigator

Prepared for  
Coastal Oil and Gas Corporation  
Denver, Colorado

Utah State Project #U-97-MM-0205i

December 1997

## INTRODUCTION

Metcalf Archaeological Consultants, Inc. (MAC) conducted a Class III cultural resource inventory of the newly proposed access and pipeline for the previously surveyed Coastal Oil and Gas NBU 299 wellpad. Although this newly proposed access and pipeline fall within the 10 acre block surveyed for the NBU 299 wellpad, the area was resurveyed at the request of the Uintah and Ouray Cultural Rights and Protection Department. Three isolated finds were identified during the survey for the wellpad and included three pieces of debitage (IF-2991, IF-2992, IF-2993).

The previously surveyed access and pipeline entered the proposed well from existing pad CIGE 200 on the west. The access now begins at the southwest corner of existing wellpad NBU 104 and trends generally west to the NBU 299 centerstake. The proposed pipeline will tie in to an existing aboveground pipe on the northern edge of NBU 104. It runs westward along the northern edge of the existing pad until it meets the proposed access road. The pipeline then parallels the access on its northern side to the NBU 299 centerstake.

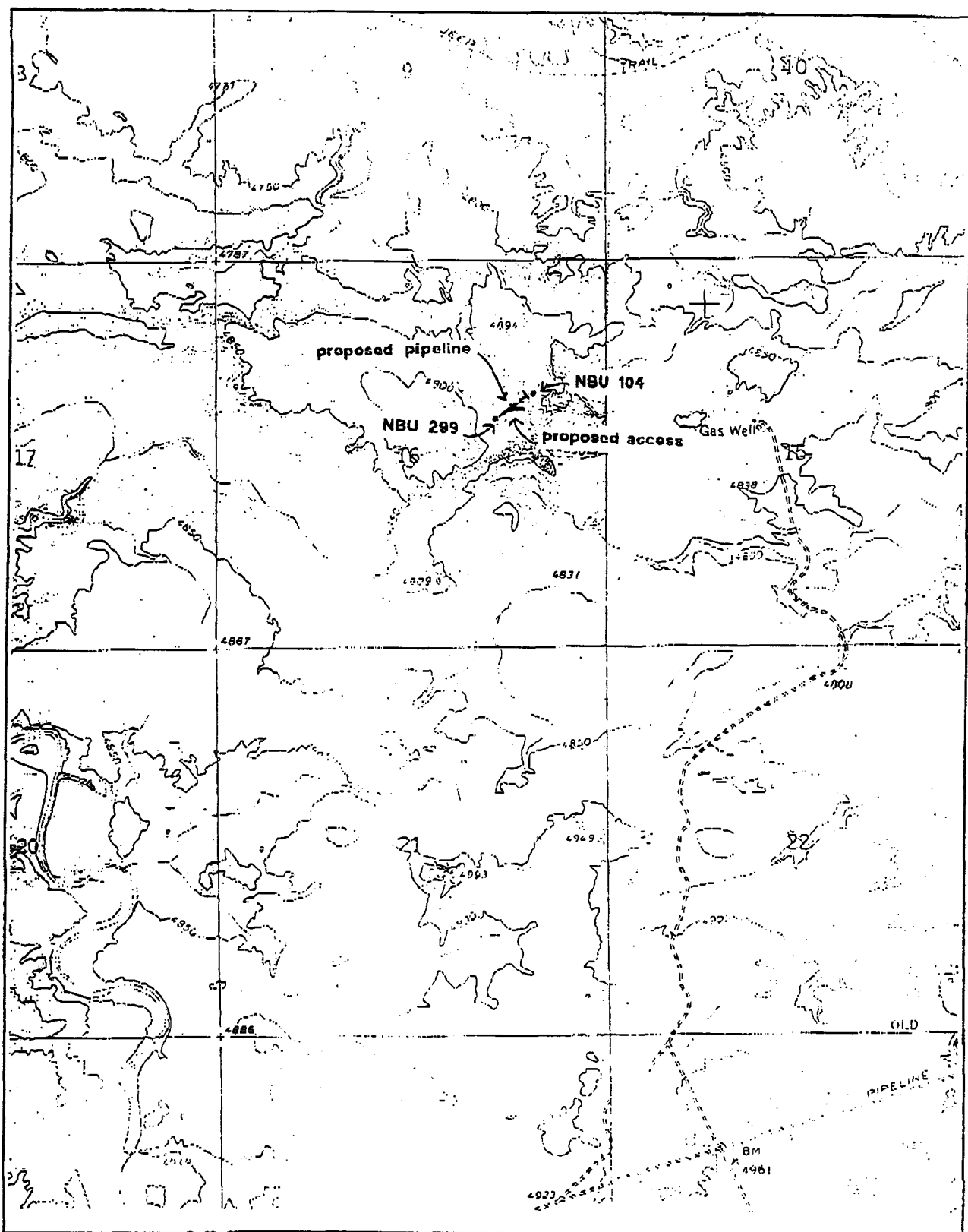
The survey included roughly 350' of access and roughly 450' of pipeline. Area surveyed included about 1.5 acres. The project lies in the S/NE Section 16, T9S, R21E, Uintah County, Utah (Figure 1). This property is administered by the Uintah and Ouray Agency, Fort Duchesne, Utah. This survey was conducted by MAC archaeologist Kelly Pool on 3 December 1997 under an access permit issued by the Energy and Minerals Division of the Ute Tribe and under Utah State BLM permit # 97UT54945, which expires on 1 May 1998. Pool was accompanied in the field by Ute Tribal Technician Alvin Ignacio.

## FIELD METHODS

A 100' corridor was surveyed for both the access road and the pipeline. The corridor was covered in two zigzag pedestrian transects, each on either side of the staked centerline. Where the access road and pipeline parallel each other, the pipeline is staked about 8 m north of the road. In that case, an additional 8 m was surveyed north of the road centerline to cover both corridors. Where the pipeline runs along the northern edge of NBU 104, only the northernmost edge of the 100' corridor lies on undisturbed ground.

## RESULTS AND RECOMMENDATIONS

No cultural resources were encountered during the survey of this newly proposed access and pipeline to previously surveyed NBU 299. Cultural resource clearance is recommended for this access and pipeline as staked at the time of inventory. **This recommendation is subject to approval by the Uintah and Ouray Cultural Rights and Protection Department.**



**Figure 1** Location of Coastal Oil and Gas Corporation's newly proposed access and pipeline for the NBU 299 wellpad, T9S, R21E, Section 16, USGS 7.5' quad Ouray SE (1964)

**Coastal Oil and Gas Corporation's NBU #299  
Well Pad and Access, Cultural Resource Inventory  
Section 16, T9S, R21E, Uintah County, Utah**

DENVER DISTRICT - E & S

MAY 15 1997

Prepared by,  
John M. Scott  
Metcalf Archaeological Consultants, Inc.  
Eagle, Colorado

BLC\_\_\_\_TFS\_\_\_\_SCP\_\_\_\_CEL\_\_\_\_  
SAB\_\_\_\_JRN\_\_\_\_MDE\_\_\_\_LPS\_\_\_\_

XC: RJL  
drlg

Michael D. Metcalf  
Principal Investigator

Prepared for,  
Coastal Oil and Gas Corporation  
Denver, CO

Utah State Project #U-97-MM-0205i

May 1997

## **INTRODUCTION**

Metcalf Archaeological Consultants, Inc. (MAC), conducted a Class III cultural resource inventory of the Coastal Oil and Gas NBU #299 well pad, access and flow line. The survey included a 10 acre block centered on the staked well location, and approximately 375 feet of a 100 foot wide linear inventory for a combined access/low pressure pipeline corridor. The proposed well pad is located in the SW/NE and SE/NE (2365' FNL, 1448' FEL) of Section 16, T9S, R21E, Uintah County, Utah (Figure 1). The access begins at the existing NBU #200 well and snakes east to the proposed well location. The flow line parallels the access road on its south side. The total acreage covered for this project was 11 acres. Survey coverage was by pedestrian transects spaced 15-20 meters apart.

This project is located on property administered by the Uintah and Ouray agency, Fort Duchesne, Ute Indian Tribe. The survey was conducted on April 30, 1997 by John Scott and Dulaney Barclay with an access permit issued by the Energy and Minerals Division of the Ute Tribe, under Utah State BLM permit #U97-MM which expires on 25 March 1998. Scott and Barclay were accompanied by Ute Tribal Technician Leo Tapoof. All field notes and maps are on file at the MAC office in Eagle, Colorado.

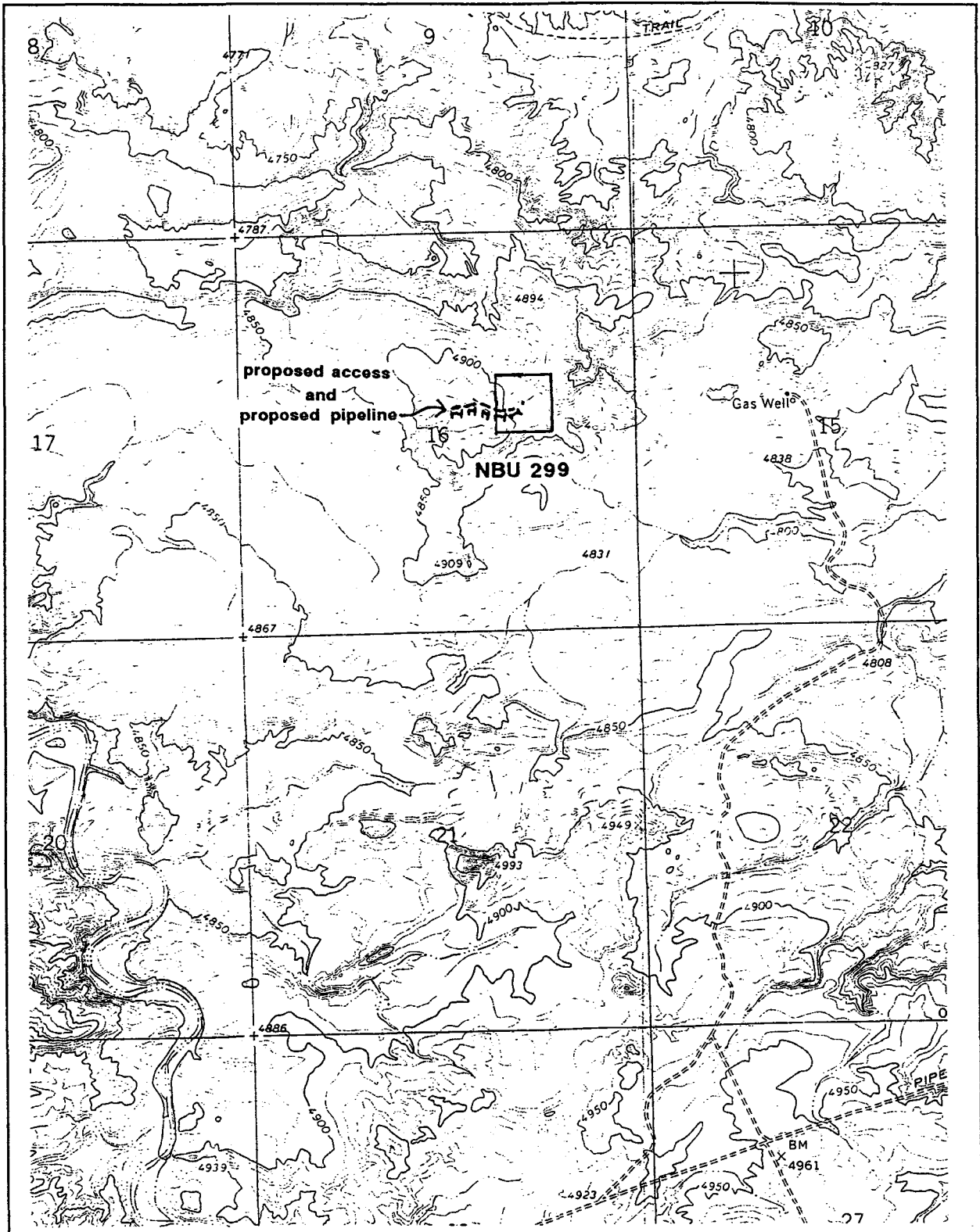
## **STATEMENT OF OBJECTIVES**

Following the mandated policies implementing the National Historic Preservation Act (NHPA [Public Law 89-665]), as amended, this project was inventoried to locate any cultural resources within the potential area of effect. Any discovered cultural resources were to be evaluated for eligibility to the National Register of Historic Places (Register). To be eligible for the Register, the resource must retain essential aspects of integrity and meet one or more of the Criteria for Eligibility (36 CFR §60.4). For archaeological resources, eligibility is typically recommended under Criterion d, on the basis of the information potential of surface artifacts and features, and intact sub-surface cultural deposits. Historical resources may be evaluated under any of the four Criteria on the basis of information potential or significant historic associations. Under Ute Tribal policy, the approval of the Uintah and Ouray Cultural Rights Protection Department is needed if cultural resources will be impacted by the proposed undertaking.

## **ENVIRONMENT**

This project is located in the Natural Buttes Unit of the Ute Reservation which is in the southeast of the Uintah Basin of northeastern Utah. It is approximately 2.6 miles south of the White River and 2.3 miles east of Cottonwood Wash. This is a relatively rugged area of low dissected mesas, buttes and ridges with moderately incised drainages. The pad itself is situated on the southeast end of a large ridge system on a bench-like location that is just below the highest area of the ridge. Deep, open basin-like washes are located to the north and south. Local





**Figure 1** Location of Coastal Oil & Gas Corporation's Proposed NBU #299, 9S, R21 E, Section 16, USGS Quad Ouray SE, 7.5', 1964

vegetation is a semi-arid shrubland dominated by shadscale. Observed flora include saltbush, greasewood, mixed grasses, snakeweed, wild onion, and desert paintbrush. Ground surface visibility is excellent with roughly an 8% vegetation cover. Soil in the area is, in general, an aeolian sand sheet with several areas of deflation. The areas of deflation reveal a sandy, hard loam beneath the unconsolidated aeolian sand. Along the west edge of the survey block where the bench meets the higher area of the ridge, very deep aeolian sands have accumulated and the access/pipeline corridor traverses these sands. The south edge of the survey block is off of the ridge and down in the open, basin like wash. The wash has large exfoliated boulders below rimrock on a sandy clay loam and bedrock. Local bedrock is Eocene age sandstones and marlstones of the Duchesne River and Uinta Formations (Hintze 1980).

## **FILE SEARCH**

A files search was conducted through the Utah Division of State History. The files indicated numerous previous oil and gas surveys in the vicinity including the NBU #104 and the CIGE #200. The files also showed no previously recorded sites in the current project's immediate area. However, numerous prehistoric sites have been recorded in the Natural Buttes Unit of the Ute Reservation.

The NBU #104 project appears to cover the northeast corner of the present inventory block and was inventoried by MAC in 1990 (Scott 1990) with negative results. The CIGE #200 well is where the access for the present project starts and was inventoried in 1996 by MAC (Metcalf 1996). That inventory resulted in the recording of sites 42UN2384 and 42UN2385. Both of those sites were avoided in 1996 and are not in the present project's inventory area.

## **FIELD METHODS**

The 10 acre area surrounding the well pad center stake was surveyed by a series of parallel pedestrian transects walked at approximately 15-20 meter intervals. Steep slopes exceeding 20° received a cursory examination. The linear access/pipeline corridor was inventoried by two zig-zag transects covering 15 meters (50 feet) on either side of the flagged centerlines. Total corridor width was therefore 100 feet. Special attention was paid to areas of enhanced subsurface visibility, such as eroded areas, rodent backdirt piles, road cuts and animal trails.

If cultural material was located, the area was examined closely until all surface manifestations had been identified and the resource adequately defined. Appropriate site or isolated find forms and other documentation were then completed, including plotting the resource on the proper USGS quadrangle. Sketch maps were prepared using a Brunton Pocket Transit and pacing for distances. Black and white photographs were taken of all the sites.

## RESULTS AND RECOMMENDATIONS

The presence of nearby previously recorded sites, and isolated finds in deep sands in the immediate vicinity of the project suggest that further buried cultural resources may be present. Consequently, it is recommended that a qualified archaeologist should monitor the construction of this well. With the above recommendation, cultural resource clearance is recommended for the NBU #299 well project as staked at the time of this cultural resource inventory. **This recommendation is subject to approval by the Uintah and Ouray Cultural Rights and Protection Department.**

## REFERENCES CITED

Hintze, Lehi F.

1980 *Geologic Map of Utah*. Utah Geological and Mineral Survey, Salt Lake City. UT.

Metcalf, Michael D.

1996 *Coastal Oil and Gas CIGE-200, Well Pad and Access, Section 16, T9S, R21E, Uintah County, Utah*. Manuscript on file, Metcalf Archaeological Consultants, Inc., Eagle, Colorado.

Scott, John M..

1990 *Cultural Resources Inventory for Coastal. Coastal Oil & Gas Corporation's NBU #104 Well & Access Location, Uintah County, Utah*. Metcalf Archaeological Consultants, Inc., Eagle, Colorado. Manuscript on file, Utah Division of State history, Salt Lake

Appendix  
Site & Isolated Find Forms  
(Limited Distribution)



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor  
Ted Stewart  
Executive Director  
James W. Carter  
Division Director

1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

December 15, 1997

Coastal Oil & Gas Corp.  
P.O. Box 749  
Denver, Colorado 80201-0749

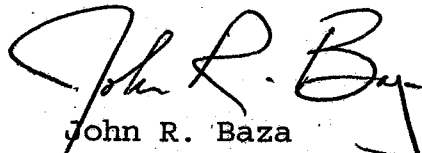
Re: NBU 299 Well, 2365' FNL, 1448' FEL, SW NE, Sec. 16,  
T. 9 S., R. 21 E., Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33012.

Sincerely,

  
John R. Baza  
Associate Director

lwp

Enclosures

cc: Uintah County Assessor  
Bureau of Land Management, Vernal District Office

Operator: Coastal Oil & Gas Corp.  
Well Name & Number: NBU 299  
API Number: 43-047-33012  
Lease: ML-3282  
Location: SW NE Sec. 16 T. 9 S. R. 21 E.

### Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jim Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact John R. Baza (801)538-5334.

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis dated November 20, 1997 (copy attached).

5. In accordance with the Order in Cause No. 190-5(b) dated October 28, 1982, the operator shall comply with the requirements of Rule R649-3-31 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the 4½" casing is cemented over the entire oil shale section as defined by Rule R649-3-31.

6. The cement volumes for the 4½" casing shall be determined from actual hole conditions and the setting depth of the casing in order to place cement from the pipe setting depth back to the surface.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires July 31, 1996

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

*SUBMIT IN TRIPLICATE - Other instructions on reverse side*

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Coastal Oil & Gas Corporation

3a. Address

P.O. Box 749, Denver, CO 80201-0749

3b. Phone No. (include area code)

(303) 573-4455

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2365' FNL & 1448' FEL  
SWNE Section 16, T9S-R21E

5. Lease Serial No.

ML-3282

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA/Agreement, Name and/or No.

Natural Buttes Unit

8. Well Name and No.

NBU 299

9. API Well No.

43-047-33012

10. Field and Pool, or Exploratory Area

Natural Buttes Field

11. County or Parish, State

Uintah Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- |   |   |  |   |
|---|---|--|---|
| <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off                     |
| <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity                     |
| <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other <u>Extend APD</u> |
| <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       |   |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |   |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

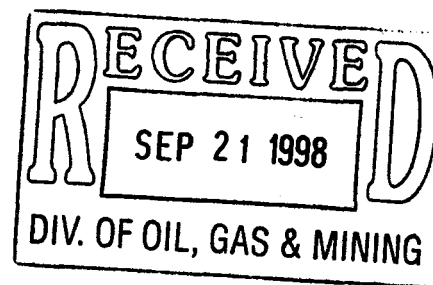
The APD for the referenced well was approved on December 22, 1997. The operator requests that the APD be extended for an additional year so that drilling may be completed.

COPY SENT TO OPERATOR  
Date: 9.29.98  
Initials: KDE

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 9/29/98

By: [Signature]



14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Sheila Bremer

Title

Environmental & Safety Analyst

Date 9/17/98

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

March 12, 1999

Sheila Bremmer  
Coastal Oil & Gas Corporation  
P.O. Box 749  
Denver, Colorado 80201-0749

Re: APD Rescinded -- NBU 299 Well, Sec. 16, T. 9S, R. 21E, Uintah County, Utah,  
API No. 43-047-33012

Dear Ms. Bremmer:

The Application for Permit to Drill for the subject well was approved by the Division of Oil, Gas and Mining on December 15, 1997. No drilling activity at this location has been reported to the division. Due to the excessive time delay in commencing drilling operations, approval to drill the well is hereby rescinded, effective immediately.

Please note that a new Application for Permit to Drill must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

Don Staley  
Information Services Manager  
Oil and Gas

cc: J.R. Baza  
L.E. Cordova  
Well File





State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

March 19, 1999

Sheila Bremmer  
Coastal Oil & Gas Corporation  
P.O. Box 749  
Denver, Colorado 80201-0749

Re: APD Rescind Retracted -- NBU 299 Well, Sec. 16, T. 9S, R. 21E, Uintah County, Utah,  
API No. 43-047-33012

Dear Ms. Bremmer:

In response to our conversation on March 19, 1999, I am writing to retract the division's APD rescind letter dated March 12, 1999. A search of our files did confirm that Coastal had sought, and received, permission to extend the APD approval for this well for a period of one year, to December 15, 1999. Your sundry was mis-routed and the information was not entered into our computer database. I apologize for this confusion and inconvenience.

Sincerely,

Don Staley  
Information Services Manager  
Oil and Gas

cc: C.H. Daniels  
Well File

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires July 31, 1996

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>ML-3282</b>
2. Name of Operator <b>Coastal Oil &amp; Gas Corporation</b>		6. If Indian, Allottee or Tribe Name <b>Ute Tribe</b>
3a. Address <b>P.O. Box 1148, Vernal UT 84078</b>	3b. Phone No. (include area code) <b>(435)-781-7023</b>	7. If Unit or CA/Agreement, Name and/or No. <b>Natural Buttes Unit</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>SW/NE Sec. 16, T9S, R21E 2365' FNL &amp; 1448' FEL</b>		8. Well Name and No. <b>NBU #299</b>
		9. API Well No. <b>43-047-33012</b>
		10. Field and Pool, or Exploratory Area <b>Natural Buttes Field</b>
		11. County or Parish, State <b>Uintah County Utah</b>

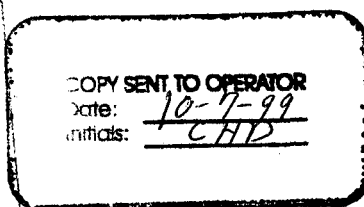
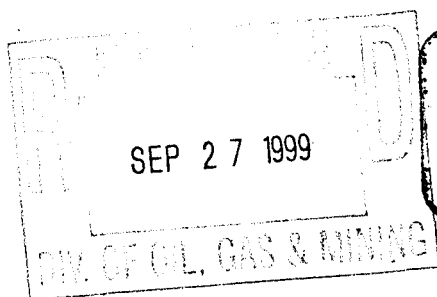
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>TD Change</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximated duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Coastal Oil & Gas Corporation proposes to change the TD 7700' to 9000' in order to drill to the Mesaverde formation. Please refer to the attached drilling program.

*(from 7500' w/stc)*



Approved by the  
Utah Division of  
Oil, Gas and Mining  
Date: 10/7/99  
By: *[Signature]*

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>Sheila Upchego</b> <i>[Signature]</i>	Title <b>Environmental Secretary</b> Date <b>9/20/99</b>
--	--

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Coastal Oil & Gas Corporation  
Natural Buttes Unit #299  
SW/NE Sec.16,T9S,R21E  
Uintah County, Utah

**GEOLOGICAL SURFACE FORMATION:**

SW/NE Sec.16,T9S,R21E - 2365'FNL & 1448'FEL

**ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:**

<u>Formation</u>	<u>Estimated Top</u>
KB	4909'
GREENRIVER	1790'
WASATCH	5130'
MESAVERDE	8200'
TD	8800'

**PROPOSED CASING PROGRAM:**

See Attached Drilling Program

**DRILLING FLUIDS PROGRAM:**

See Attached Drilling Program

**TESTING LOGGING AND CORING:**

See Attached Drilling Program

**CEMENTING PROGRAM:**

<u>Casing</u>	<u>Coverage</u>	<u>Volume</u>	<u>Type &amp; Activities</u>
---------------	-----------------	---------------	------------------------------

See Attached Drilling Program

**Intermediate**

See Attached Drilling Program

**Production**

See Attached Drilling Program

COASTAL OIL & GAS CORPORATION

DRILLING PROGRAM

COMPANY NAME

Coastal Oil & Gas Corporation

DATE

9/15/99

WELL NAME

Generic Natural Buttes Well

TD

FIELD

Ouray

COUNTY

Uintah

STATE

Utah

ELEVATION

SURFACE LOCATION

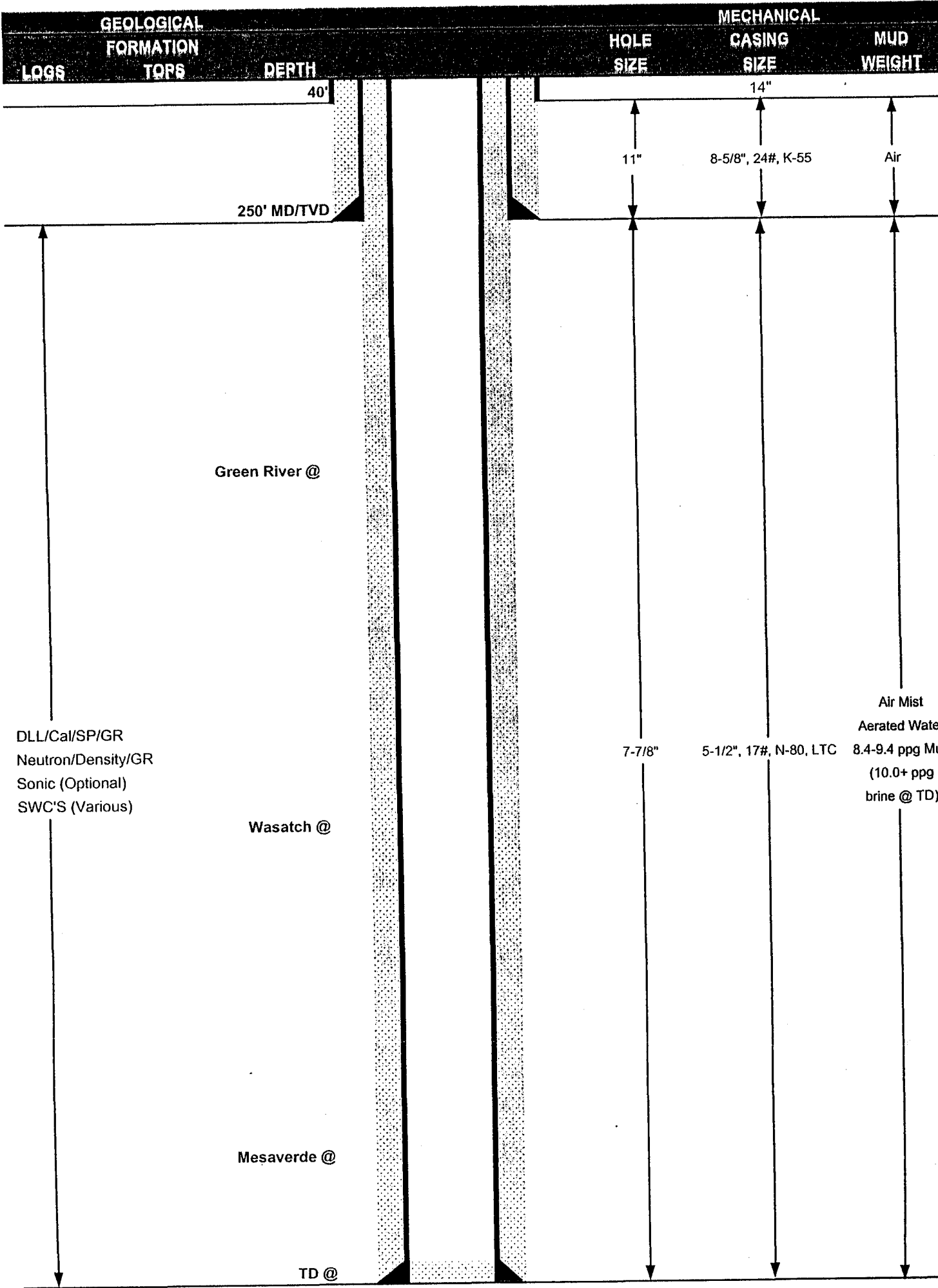
BHL

Straight Hole

OBJECTIVE ZONE(S)

Lower Green River, Wasatch, Mesaverde

ADDITIONAL INFO



CASING PROGRAM

	DESIGN FACTORS							
	SIZE	INTERVAL	WT.	GR.	CPLG.	BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
SURFACE	8-5/8"	0-250'	24#	K-55	STC	>10	>10	>10
PRODUCTION	5-1/2"	0-TD	17#	N-80	LTC	SPECIFIED BY PROD DEPT		
TUBING								

CEMENT PROGRAM

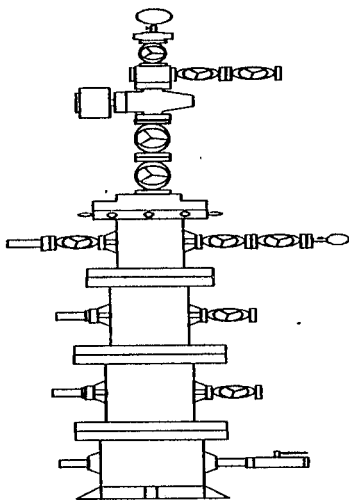
	FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	250' MD/TVD	Neat + 2% CaCl <sub>2</sub>	95	25%	15.60	1.19
PRODUCTION	LEAD 500' Above Prod Int-Surf	Hifill + 0.6% EX-1 + 0.25 lb/sk Flocele + 0.2% FWCA + 10 lb/sk Gilsonite + 16% Gel + 1% HR-7 + 3% Salt	*TBD		11.60	3.12
	TAIL TD-500' Above Productive Int.	50/50 POZ + 0.25 lb/sk Flocele + 0.4% Halad-322 + 2% Gel + 0.1% HR-5 + 2% Microbond M +5% Salt	*TBD		14.4	1.24

\* 15% over caliper log

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, float collar. Centralize 5' above shoe & every other collar to surface.
PRODUCTION	Specified by Production Department (every other joint across pay zones).

WELLHEAD EQUIPMENT



TREE	2-1/16" 5M
TUBING HEAD	11" 3M X 7-1/16" 5M
CASING SPOOL	
CASING SPOOL	
CASING HEAD	8-5/8" SOW X 11" 3M

BIT PROGRAM

INTERVAL	HOLE	BIT MFG & MODEL	GPM	SERIAL	NZLS	COMMENTS
Surface Hole	11"	Various				
SC - Top of Wasatch	7-7/8"	Various				
Wasatch	7-7/8"	Various (PDC)				
Mesaverde	7-7/8"	Various				

GEOLOGICAL DATA

LOGGING:

Depth	Log Type
SC - TD	DLL/Cal/SP/GR
SC - TD	Neutron/Density/GR
Optional	Sonic
Various	SWC's

MUD LOGGER:

As per Geology

SAMPLES:

As per Geology

CORING:

As per Geology

DST:

As per Geology

MUD PROGRAM

DEPTH	TYPE	MUD WT	WATER LOSS	VISCOSITY	TREATMENT
0-Trona	Air Mist	NA	NA		
Trona-TD	Aerated Water Water/Mud	NA 8.4-9.4	NC 15cc	NA 30-40	KCL, Gel, LCM, Polymer
At TD	Brine	10-12 ppg	NC	NC	

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.
BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.
Run Totco survey every 500' from surface casing shoe to TD. Maximum allowable hole angle is 5 degrees.

PROJECT ENGINEER:

Blaine Yeary

DATE:

PROJECT MANAGER:

Tom Young

DATE:

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
Coastal Oil & Gas Corporation

3a. Address  
P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)  
(435)-781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SW/NE Sec.16,T9S,R21E 2365' FNL & 1448' FEL

T-574 P.02/06 F-258

Budget Bureau No. 1004-0135  
Expires July 31, 1996

5. Lease Serial No.

ML-3282

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA/Agreement Name and/or No  
Natural Buttes Unit

8. Well Name and No.  
NBU #299

9. API Well No.

43-047-33012

10. Field and Pool, or Exploratory Area  
Natural Buttes Field

11. County or Parish, State

Uintah County Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>One Year</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Extension</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Coastal Oil & Gas Corporation requests authorization for a one year extension on the above referenced Well.

COPY SENT TO OPERATOR  
Date: 11-3-99  
Initials: CBR

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 11/3/99  
By: [Signature]

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Sheila Upchego

Title

Environmental Secretary

Date 11/1/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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(Instructions on reverse)



**United States Department of the Interior**

**BUREAU OF INDIAN AFFAIRS**

**Utah and Ouray Agency**

**P. O. Box 130**

**988 South 7500 East**

**Fort Duchesne, Utah 84026-0130**

**Phone: (435) 722-4300**

**Fax: (435) 722-2323**

**IN REPLY REFER TO:**  
**Minerals and Mining**  
**Phone: (435) 722-4310**  
**Fax: (435) 722-2809**

**June 15, 1998**

**Coastal Oil & Gas USA L.P.**  
**600 17<sup>th</sup> Street, Suite 800 So.**  
**Denver, CO 80201-0794**

**Dear Sirs:**

This is your authority to proceed with construction of the following wellsites, access roads and pipeline right of ways over and across the following tribal lands.

- 1. NBU#294, NENW, Section 22, T9S, R20E, SLBM**
- 2. NBU#299, SWNE, Section 16, T9S, R21E, SLBM**
- 3. NBU#300, NWNW, Section 21, T9S, R21E SLBM**

Enclosed is a copy of the BIA's Environmental Analysis (EA) for Mitigation Stipulations.

The Uto Tribe Energy & Minerals (E&M) Department requires that Coastal Oil & Gas Company adhere to the following criteria during all phases of construction activities, during and after.

- 1. The Uto Tribe Energy and Minerals Department is to be notified 48 hours prior to construction, as a Tribal Technician is to routinely monitor construction.**
- 2. NBU #300 will have a qualified paleontologist, monitor construction activity for wellsite, access road and pipeline. The Ute Tribe reserves the right to stop construction and/or relocating locations/pipelines.**
- 3. NBU#299, has alternative routes to minimize surface damage for access road and pipeline rights-of-way. Alternative routes should be on file with the BIA and Tribe. If no archeological problem with alternative route Tribe recommends its rights-of-way.**
- 4. NBU#299 will have a qualified archaeologist monitor the wellsite, access road and pipeline construction.**
- 5. The constructed travel width of the access road will be 18 feet, except in cases of sharp curves and/or intersections.**
- 6. Surface pipelines will not be bladed or cleared without BIA or Tribal approval.**
- 7. Rights of way for pipeline will not be used as roadways.**
- 8. All Coastal personnel and/or their contractors will have approved APD's and ROW on locations.**
- 9. Tribal Technician to be notified during construction of reserve pits, and also during backfilling of pits. Reserve pits will be fenced.**



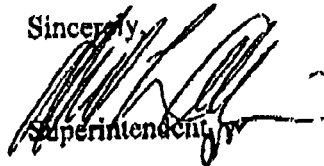
10. All vehicular traffic, personnel movement, construction/restoration operations should be confined to the areas examine and approved, and to the existing roadways and/or evaluated access routes.
11. All personnel should refrain from collecting artifacts and from disturbing any significant cultural resources in the area.
12. The personnel from the Ute Energy and Minerals Department should be consulted should cultural remains from subsurface deposits be exposed or identified during construction.
13. All mitigative stipulations contained in the Bureau of Indian Affairs site specific Environmental Analysis (EA), will be strictly adhered.
14. Upon completion of Application for Permit to Drill and Rights-of-way, the Ute Tribe Coastal & Oil Gas Corporation will notify Energy and Minerals Department, so that a Tribal Technician can verify Affidavit of Completions.

Upon completion of construction, please submit in triplicate, the following documents.

- a. Affidavits of Completion of Construction
- b. "As-Built" maps, with accompanying Certification of ROW

If you have any questions, please contact this office at (435) 722-4310.

Sincerely,



Superintendent

cc:files  
Agency  
M&M Dept.

ROW Serial No. H62-98- 81Drill Site/Access Rd  
NBU#299**KNOW ALL MEN BY THESE PRESENTS:**

That the UNITED STATES OF AMERICA, as trustee for UTE INDIAN TRIBE acting by and through the Superintendent of the Uintah and Ouray Agency, as "Grantor", under authority contained in 209 DM 8 (39 F.R. 32166), 10 DIAM 3 (34 F.R. 637), 230 DM 3 (20 F.R. 992), and Sec. 2.11 (34 F.R. 11109), pursuant and subject to the provisions of the Act of February 5, 1948 Stat. 17, (25 U.S.C. 323-328), and Part 169, Title 25, Code of Federal Regulations, in consideration of:

Three Thousand Seventy-One Dollars and Forty-Three Cents \$3,271.43; based on \$1325.00 per acre for consideration, the receipt of which is acknowledged directly by grantor

COASTAL OIL & GAS USA, L.P. 600 17TH STREET SUITE 800 S. DENVER, CO 80201-0794

its successors and assigns, hereinafter referred to as Grantee", an easement for right-of-way:

In accordance with the attached survey plat: G.I.O. Plat No. 41035, dated 12/02/97 - For NBU#299

A drill site = 2.221 acres;

An access road = 0.248 acres, being approximately 359.61' feet in length, 30 feet in width,

Total acreage being 0.248 acres, m/l, located in the NE/4 of Section 16, Township 9 South, Range 21 East, SLH&M,  
for the following purposes namely: The construction, maintenance, repair, inspection, protection, operation and removal of NBU #294 together with the necessary appurtenances thereto, on, over and across the land embraced within the right-of-way located in Uintah County, Utah.

**TO HAVE AND TO HOLD** said easement and right-of-way unto the Grantee and unto its successors and assigns, together with the right of ingress and egress for the purpose described above for which said easement is granted. This easement is subject to any prior existing right or adverse claim and is for a twenty (20) year period beginning June 15, 1998, so long as said easement shall actually be used for the purposes above specified. Consideration may be increased at five (5) year intervals if necessary to reflect then existing market prices.

This right-of-way shall be terminable in whole or in part by the grantor for any of the following causes upon 30 days' written notice and failure of the Grantee within said notice period to correct the basis of termination. (25 CFR 169:20)

- A. Failure to comply with any term or condition of the grant or the applicable regulations.
- B. A nonuse of the right-of-way for a consecutive two-year period for the purpose for which it was granted.
- C. An abandonment of the right-of-way.
- D. Failure of the Grantee to file with the Grantor an Affidavit of Completion pursuant to 25 CFR 169.16, upon completion of construction, or, in any case within two years of date of this easement granted in the case construction does not begin or is completed.

The conditions of this easement shall extend to and be binding upon and shall inure to the benefit of the successors and assigns of the Grantee. It has been determined that approval of this document is not such a major federal action significantly affecting the quality of the human environment as to require the preparation of an environmental impact statement under Section 102 (2) (c) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) (2) (c).

**IN WITNESS WHEREOF**, Grantor has executed this Grant of Easement this 15th day of June 1998.

UNITED STATES OF AMERICA

By: \_\_\_\_\_

Superintendent  
U.S. Department of the Interior  
Uintah and Ouray Agency  
Fort Duchesne, UT 84026

GRANT OF EASEMENT

ROW Serial No. H62-98-80

(Pipeline)

Well No: NBU#299

## KNOW ALL MEN BY THESE PRESENTS:

That the **UNITED STATES OF AMERICA**, as trustee for UTE INDIAN TRIBE acting by and through the Superintendent of the Uintah and Ouray Agency, as "Grantor", under authority contained in 209 DM 8 (39 F.R. 32166), 10 BIAM 3 (34 F.R. 637), 230 DM 3 (20 F.R. 992), and Sec. 2.11 (34 F.R. 11109), pursuant and subject to the provisions of the Act of February 5, 1948 Stat. 17, (25 U.S.C. 323-328), and Part 169, Title 25, Code of Federal Regulations, in consideration of:

Five Hundred Twenty-Six Dollars and Three Cents (\$526.03)

based on \$1325.00 per acre for consideration, the receipt of which is acknowledged does hereby grant to:

COASTAL OIL & GAS USA, L.P. 600-17TH STREET SUITE 800 S. DENVER, CO 80201-0794

its successors and assigns, hereinafter referred to as Grantee", an easement for right-of-way:

In accordance with the attached survey plat: G.I.O. Plat No. 410364, dated 12/02/97 - For a Pipeline to service NBU#299 0.397 acres, and approximately 575.89' feet in length, 30 feet in width, located in the NE/4 of Section 16, Township 9 South, Range 21 East, SLB&M., for the following purposes Pipeline for NBU# 299 together with the necessary appurtenances thereto, on, over and across the land embraced within the right-of-way located in Uintah County, Utah.

**TO HAVE AND TO HOLD** said easement and right-of-way unto the Grantee and unto its successors and assigns, together with the right of ingress and egress for the purpose described above for which said easement is granted. This easement is subject to any prior existing right or adverse claim and is for a twenty (20) year period beginning, June 15, 1998 so long as said easement shall actually be used for the purposes above specified. Consideration may be increased at five (5) year intervals if necessary to reflect then existing market prices.

This right-of-way shall be terminable in whole or in part by the grantor for any of the following causes upon 30 days' written notice and failure of the Grantee within said notice period to correct the basis of termination. (25 CFR 169:20)

- A. Failure to comply with any term or condition of the grant or the applicable regulations.
- B. A nonuse of the right-of-way for a consecutive two-year period for the purpose for which it was granted.
- C. An abandonment of the right-of-way.
- D. Failure of the Grantee to file with the Grantor an Affidavit of Completion pursuant to 25 CFR 169.16, upon completion of construction, or, in any case within two years of date of this easement granted in the case construction does not begin or is completed.

The conditions of this easement shall extend to and be binding upon and shall inure to the benefit of the successors and assigns of the Grantee. It has been determined that approval of this document is not such a major federal action significantly affecting the quality of the human environment as to require the preparation of an environmental impact statement under Section 102 (2) (c) of the National Environmental Policy Act of 1969 (42 U.S.C. §4332) (2) (c).

IN WITNESS WHEREOF, Grantor has executed this Grant of Easement this 15th day of June 1998.

UNITED STATES OF AMERICA

By: 

Superintendent  
U.S. Department of the Interior  
Uintah and Ouray Agency  
Fort Duchesne, UT 84026



## FACSIMILE COVER PAGE

THIS TRANSMISSION CONSISTS OF \_\_\_\_\_ PAGES INCLUDING COVER SHEET

TO: Lisha Cordova @ FAX # (801) 359-3940FROM: Sheila Upchego @ FAX # 435-789-4436Phone 435-781-7024

If you have any problem receiving the above specified pages, please notify Coastal Oil & Gas Corp office @ 435-789-4433.

## Confidentiality Notice:

This message is intended only for the use of the individual or entity designated above. It is confidential and may contain information that is legally privileged or exempt from disclosure under applicable laws. You are hereby notified that any dissemination, distribution, copying or use of or reliance upon the information contained in and transmitted with this facsimile transmission by anyone other than the recipient designated by the sender is not authorized and strictly prohibited. If you have received this communication in error, please immediately notify the sender by telephone and return it to the sender by U.S. Mail, or destroy it if so instructed by the sender.

Thank you

Lisha, We are Applying for a 1yr. Ext. on NBU#299.

Attached is the B.I.A. authority to Construct, was issued on June 15, 1998. It won't expire until June 15, 2000. If you would please grant us the extension on the NBU#299 as soon as possible we would greatly appreciate it.

Thankyou,  
Sheila

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
Coastal Oil & Gas Corporation

3a. Address  
P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)  
(435)-781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SW/NE Sec.16,T9S,R21E 2365'FNL & 1448'FEL

5. Lease Serial No.

ML-3282

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA/Agreement, Name and/or  
Natural Buttes Unit

8. Well Name and No.

NBU #299

9. API Well No.

43-047-33012

10. Field and Pool, or Exploratory Area  
Natural Buttes Field

11. County or Parish, State

Uintah County Utah

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

**TYPE OF SUBMISSION**

- ☐ Notice of Intent  
☒ Subsequent Report  
☐ Final Abandonment Notice

**TYPE OF ACTION**

- |   |   |  |  |
|---|---|--|--|
| <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off      |
| <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity      |
| <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other TD |
| <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       | Castlegate                                   |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |  |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zone. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 day following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Coastal Oil & Gas Corporation has verbal approval per Jan Jarvis w/ DOGM on 11/15/99 to drill to the Castlegate formation, TD @ 11300'.

(fr. 9000')

Please refer to the enclosed attachments for the revised casing, cementing & drilling fluids program

COPY SENT TO OPERATOR

Date: 12-14-99  
Initials: C.H.D.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 12/17/99  
By: [Signature]

RECEIVED

DEC - 7 1999

DIVISION OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Katy Dow

Title

Environmental Jr. Analyst

Date 11/29/99

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

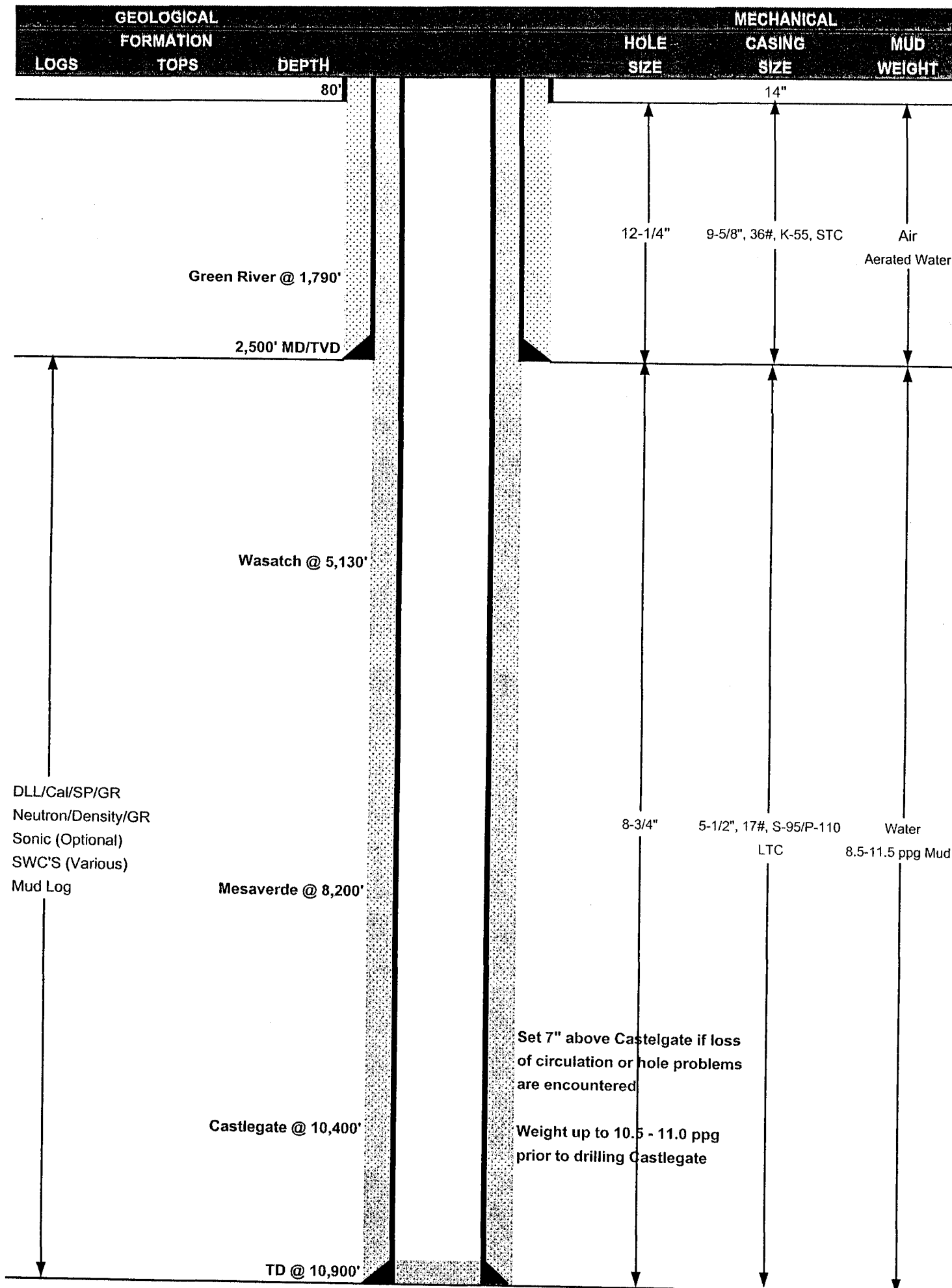
Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

COMPANY NAME	Coastal Oil & Gas Corporation	DATE	11/22/99						
WELL NAME	NBU #299	TD	10,900						
FIELD	Ouray	COUNTY	Uintah	STATE	Utah	ELEVATION	4,909'	KB	
SURFACE LOCATION	2,365' FNL & 1,448' FEL Sec 16 T9S-R21E							BHL	Straight Hole
OBJECTIVE ZONE(S)	Lower Green River, Wasatch, Mesaverde, Castlegate								
ADDITIONAL INFO									



CASING PROGRAM

						DESIGN FACTORS		
	SIZE	INTERVAL	WT.	GR.	CPLG.	BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
SURFACE	9-5/8"	0-2,500'	36#	K-55	STC	2.53	1.73	2.23
PRODUCTION	5-1/2"	0-TD	17#	S-95/P-110	LTC	SPECIFIED BY PROD DEPT		
TUBING								

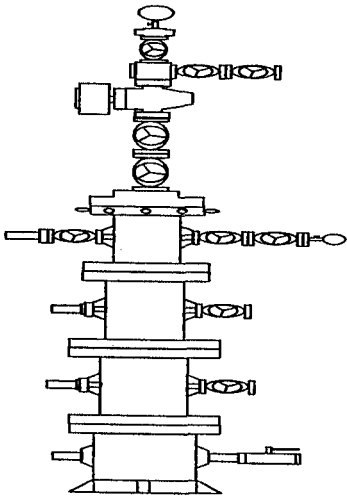
CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	0-2,000'	Lite + 2% CaCl2 + 0.25 lb/sk Flocele	520	50%	12.70	1.82
	TAIL	2,000'-2,500'	Class G + 2% CaCl2 + 0.25 lb/sk Flocele	220	50%	15.60	1.19
PRODUCTION	LEAD	0-4,500' (4,500')	Lead + 0.6% Econolite + 0.25 lb/sk Flocele + 0.2% FWCA + 10 lb/sk Gilsonite + 16% Gel + 1% HR-7 + 3% KCl	380	25%	11.00	3.80
	TAIL	4,500'-10,900' (6,400')	50/50 Poz +0.25 lb/sk Flocele + 0.6% HALAD-322 + 2% Gel + 2% MicroBond HT + 5% Salt	1,640	25%	14.35	1.24

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Float shoe, 1 jt, float collar. Centralize first 3 joints & every fourth joint to surface. Thread lock FE & casing up to & including box end of FC.
PRODUCTION	Float shoe, 2 jts, float collar. Centralize first 3 joints & every other joint across pay zones. Thread lock FE & casing up to & including box end of FC.

WELLHEAD EQUIPMENT



TREE	2-1/16" 10M
TUBING HEAD	11" 5M X 7-1/16" 10M
CASING SPOOL	
CASING SPOOL	
CASING HEAD	9-5/8" SOW X 11" 5M

BIT PROGRAM

INTERVAL	SIZE	BIT MFG & MODEL	GPM	SER	NZLS	COMMENTS
Surface Hole	12-1/4"	Various	Air			
SC - Top of Wasatch	8-3/4"	Various	450-350			(No air below surf csg)
Wasatch	8-3/4"	Various (PDC)	450-350		0.5 TFA	
Mesaverde/Castlegate	8-3/4"	Various	400-300			

GEOLOGICAL DATA

LOGGING:

Depth	Log Type
SC - TD	DLL/Cal/SP/GR
SC - TD	Neutron/Density/GR
Optional	Sonic
Various	SWC's

MUD LOGGER:2,500' - TD

SAMPLES:As per Geology

CORING:SWC's at selective intervals.

DST:As per Geology

MUD PROGRAM

DEPTH	TYPE	MUD WT	WATER LOSS	VISCOSITY	TREATMENT
0-2,500'	Air/Mist/ Aerated Water	NA	NA		KCL
2,500'-TD	Water/Mud	8.5-11.5	NC - <10	30-45	KCL, Gel, LCM, Polymer

ADDITIONAL INFORMATION

Test casing head to 1,000 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Run Totco survey every 500' from surface casing shoe to TD. Maximum allowable hole angle is 5 degrees.

PROJECT ENGINEER:Blaine YearyDATE:

PROJECT MANAGER:Tom YoungDATE:



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
Coastal Oil & Gas Corporation

3a. Address  
P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)  
(435) - 781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
SW/NE Sec.16, T9S, R21E 2365' FNL & 1448' FEL

5. Lease Serial No.

ML-3282

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA/Agreement, Name and/or  
Natural Buttes Unit

8. Well Name and No.

NBU #299

9. API Well No.

43-047-33012

10. Field and Pool, or Exploratory Area  
Natural Buttes Field

11. County or Parish, State

Uintah County Utah

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

**TYPE OF SUBMISSION**

- ☒ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

**TYPE OF ACTION**

- |   |   |  |  |
|---|---|--|--|
| <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off                  |
| <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity                  |
| <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other <u>Revised</u> |
| <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       | <u>TD Castlegate</u>                                     |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |  |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zone. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 day following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Coastal Oil & Gas Corporation requests authorization to drill to the Castlegate formation, TD @10,900'.

(fr. 11,300)

Please refer to the enclosed attachments for the revised casing, cementing & drilling fluids program

COPY SENT TO OPERATOR  
Date: 12-14-99  
Initials: CHD

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 12/14/99

By: [Signature]

RECEIVED

DEC 13 1999

DIVISION OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Katy Dow

Title

Environmental Jr. Analyst

Date 12/9/99

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

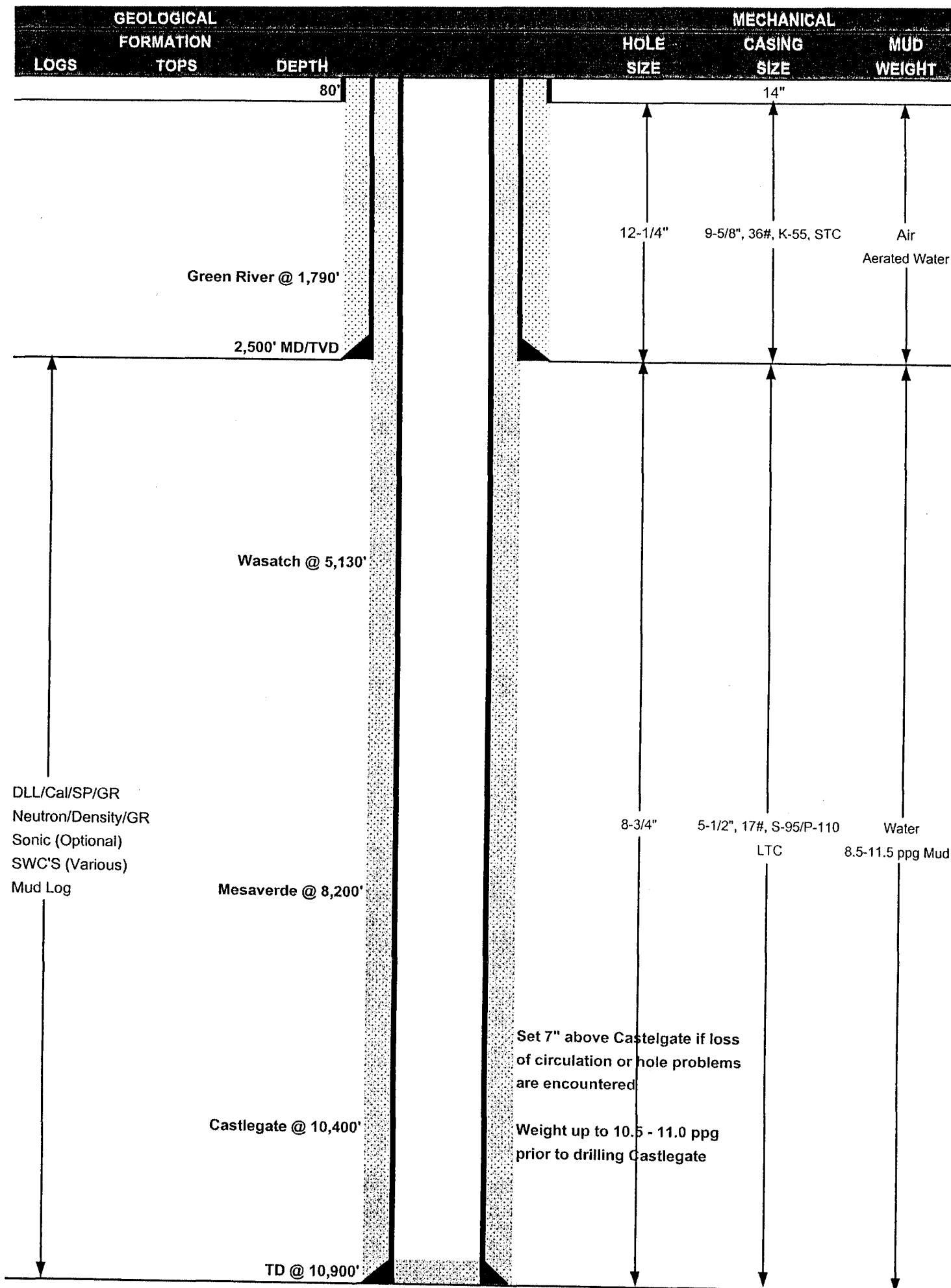
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# COASTAL OIL & GAS CORPORATION

## DRILLING PROGRAM

COMPANY NAME	Coastal Oil & Gas Corporation	DATE	11/22/99
WELL NAME	<b>NBU #299</b>	TD	10,900
FIELD	Ouray	COUNTY	Uintah
		STATE	Utah
		ELEVATION	4,909' KB
SURFACE LOCATION	2,365' FNL & 1,448' FEL Sec 16 T9S-R21E		BHL
OBJECTIVE ZONE(S)	Lower Green River, Wasatch, Mesaverde, Castlegate		
ADDITIONAL INFO			



CASING PROGRAM

	DESIGN FACTORS							
	SIZE	INTERVAL	WT.	GR.	CPLG.	BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
SURFACE	9-5/8"	0-2,500'	36#	K-55	STC	2.53	1.73	2.23
PRODUCTION	5-1/2"	0-TD	17#	S-95/P-110	LTC	SPECIFIED BY PROD DEPT		
TUBING								

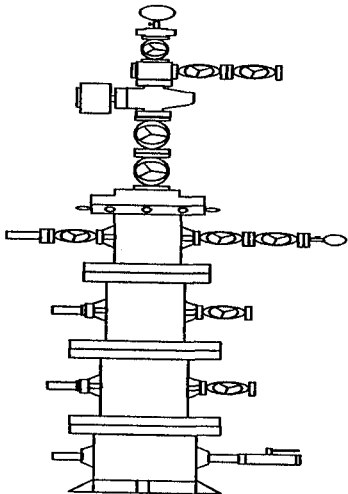
CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	0-2,000'	Lite + 2% CaCl2 + 0.25 lb/sk Flocele	520	50%	12.70	1.82
	TAIL	2,000'-2,500'	Class G + 2% CaCl2 + 0.25 lb/sk Flocele	220	50%	15.60	1.19
PRODUCTION	LEAD	0-4,500' (4,500')	Lead + 0.6% Econolite + 0.25 lb/sk Flocele + 0.2% FWCA + 10 lb/sk Gilsonite + 16% Gel + 1% HR-7 + 3% KCl	380	25%	11.00	3.80
	TAIL	4,500'-10,900' (6,400')	50/50 Poz +0.25 lb/sk Flocele + 0.6% HALAD-322 + 2% Gel + 2% MicroBond HT + 5% Salt	1,640	25%	14.35	1.24

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Float shoe, 1 jt, float collar. Centralize first 3 joints & every fourth joint to surface. Thread lock FE & casing up to & including box end of FC.
PRODUCTION	Float shoe, 2 jts, float collar. Centralize first 3 joints & every other joint across pay zones. Thread lock FE & casing up to & including box end of FC.

WELLHEAD EQUIPMENT



TREE	2-1/16" 10M
TUBING HEAD	11" 5M X 7-1/16" 10M
CASING SPOOL	
CASING SPOOL	
CASING HEAD	9-5/8" SOW X 11" 5M

BIT PROGRAM

INTERVAL	SIZE	BIT MFG & MODEL	GPM	SEF	NZLS	COMMENTS
Surface Hole	12-1/4"	Various	Air			
SC:- Top of Wasatch	8-3/4"	Various	450-350			(No air below surf csg)
Wasatch	8-3/4"	Various (PDC)	450-350		0.5 TFA	
Mesaverde/Castlegate	8-3/4"	Various	400-300			

GEOLOGICAL DATA

LOGGING:

Depth	Log Type
SC - TD	DLL/Cal/SP/GR
SC - TD	Neutron/Density/GR
Optional	Sonic
Various	SWC's

MUD LOGGER:

2,500' - TD

SAMPLES:

As per Geology

CORING:

SWC's at selective intervals.

DST:

As per Geology

MUD PROGRAM

DEPTH	TYPE	MUD WT	WATER LOSS	VISCOSITY	TREATMENT
0-2,500'	Air/Mist/ Aerated Water	NA	NA		KCL
2,500'-TD	Water/Mud	8.5-11.5	NC - <10	30-45	KCL, Gel, LCM, Polymer

ADDITIONAL INFORMATION

Test casing head to 1,000 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Run Totco survey every 500' from surface casing shoe to TD. Maximum allowable hole angle is 5 degrees.

PROJECT ENGINEER:

Blaine Yeary

DATE:

PROJECT MANAGER:

Tom Young

DATE:

Well name:	<b>1299 Rev. NBU #299</b>	
Operator:	<b>Coastal</b>	
String type:	Surface	
Location:	Uintah County	
	Project ID:	43-047-33012

**Design parameters:**
**Collapse**

Mud weight: 8.330 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**
**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 110 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 250 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: -32,813 psi  
Internal gradient: 13.558 psi/ft  
Calculated BHP 1,082 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Tension is based on buoyed weight.  
Neutral point: 2,192 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 7,500 ft  
Next mud weight: 8.330 ppg  
Next setting BHP: 3,245 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 7,500 ft  
Injection pressure 7,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ( )
1	2500	9.625	36.00	K-55	ST&C	2500	2500	8.765	29315
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1082	2020	1.87	1082	3520	3.25	79	423	5.36 J

Prepared RJK  
by: Utah Dept. of Natural Resources

Date: December 14, 1999  
Salt Lake City, Utah

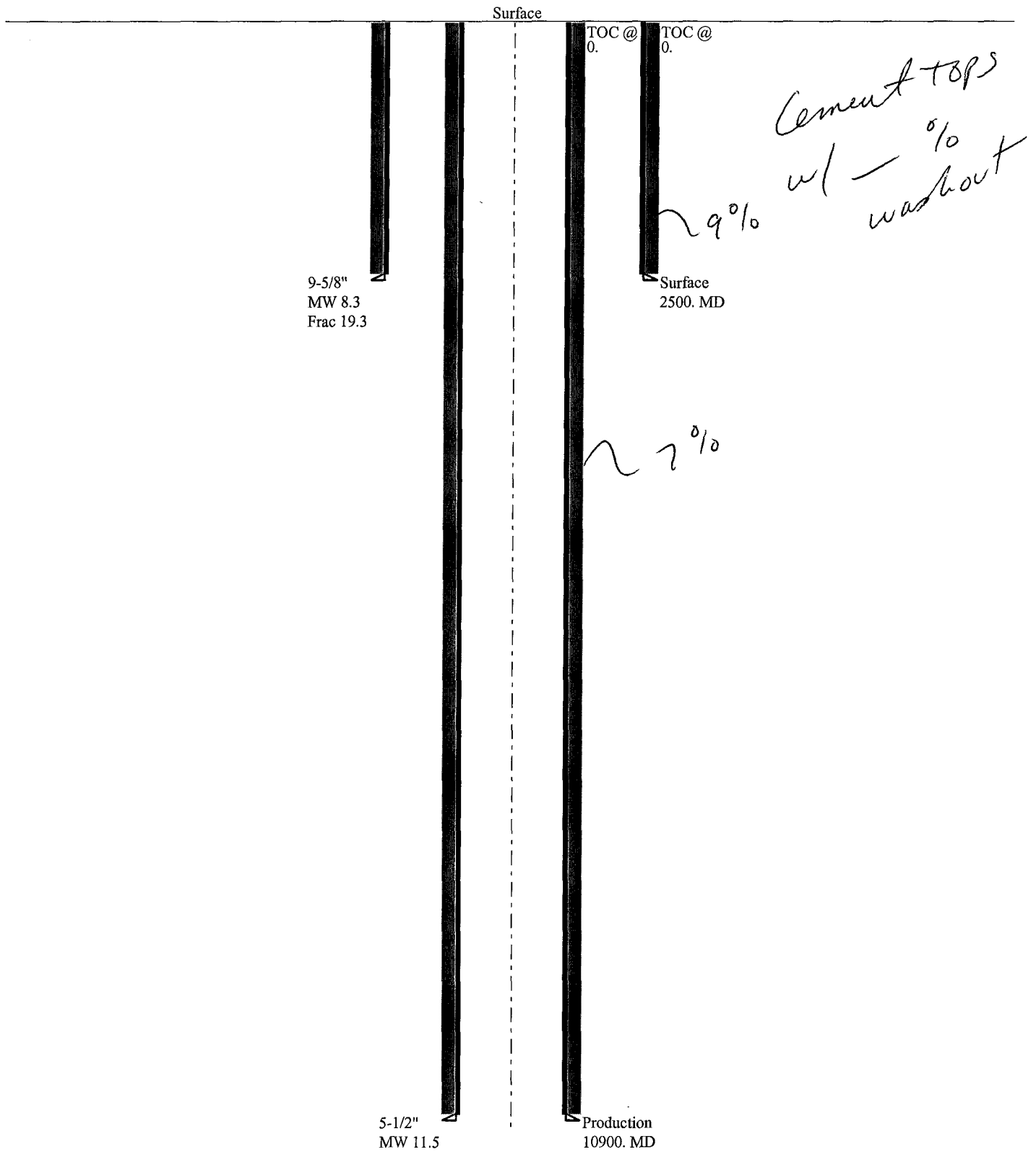
**ENGINEERING STIPULATIONS: 1) NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
Collapse is based on a vertical depth of 2500 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes.  
In addition, burst strength is biaxially adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

1299 Rev. NBU #299

Casing Schematic



Well name:	1299 Rev. NBU #299	
Operator:	Coastal	
String type:	Production	Project ID: 43-047-33012
Location:	Uintah County	

**Design parameters:**
**Collapse**

Mud weight: 11.500 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**
**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 228 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 250 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 1,795 psi  
Internal gradient: 0.433 psi/ft  
Calculated BHP 6,512 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 8,999 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ( )
1	10900	5.5	17.00	S-95	LT&C	10900	10900	4.767	89729
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	6512	8580	1.32	6512	9190	1.41	153	392	2.56 J

Prepared RJK  
by: Utah Dept. of Natural Resources

Date: December 14, 1999  
Salt Lake City, Utah

**ENGINEERING STIPULATIONS: 1) NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 10900 ft, a mud weight of 11.5 ppg. The casing is considered to be evacuated for collapse purposes. In addition, burst strength is biaxially adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Coastal Oil & Gas Corporation

3a. Address

P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)

(435)-781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SWNE Sec.16,T9S,R21E 2365'FNL & 1448'FEL

5. Lease Serial No.

ML-3282

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA/Agreement, Name and/or No.

Natural Buttes Unit

8. Well Name and No.

NBU #299

9. API Well No.

43-047-33012

10. Field and Pool, or Exploratory Area

Natural Buttes Field

11. County or Parish, State

Uintah County Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Spud

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

MIRU Bill Martin Drilling. Drilled 285' of 12 1/4" Hole and Ran 6 jts of 8 5/8" Csg 24# K-55.

Shoe Total 276.25'. Pumped 160 sx P-AG w/2% CaCl2 1/4#sx Flocele wt.15.6, Yield 1.18.

Dropped Plug & Displaced w/15 Bbls water +/- 8 Bbls. Cmt to Surface. Hole Stayed Full.

Spud 10:30 p.m. 1/23/2000.

**RECEIVED**

FEB 07 2000

DIVISION OF  
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Sheila Upchego

Title

Environmental Jr. Analyst

Date 1/27/00

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

ENTITY ACTION FORM - FORM 6

OPERATOR Frontier Oil & Gas Corp  
ADDRESS P.O. Box 1148  
Utah, Ut 84078

OPERATOR ACCT. NO. N 0230

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION				COUNTY	SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG			
B	99999	29000	43-047-32509	NBU # 222	SWNE	11	105	22E	Utah	1/7/00	1/7/00
WELL 1 COMMENTS: 32509 000214 entity added to Castlegate PZ; "Nat Buttes U/WSMVD". KDR											
B	99999	2900	43-047-32905	NBU # 275	WSW	9	95	21E	Utah	1/13/00	1/13/00
WELL 2 COMMENTS: 000214 entity added; (Nat Buttes U/WSMVD) KDR											
B	99999	2900	43-047-33009	NBU # 260	SENE	28	95	21E	Utah	1/23/00	1/23/00
WELL 3 COMMENTS: 000214 entity added; (Nat. Buttes U/WSMVD) KDR											
B	99999	2900	43-047-33012	NBU # 299	SWNE	16	95	21E		1/23/00	1/23/00
WELL 4 COMMENTS: 000214 entity added; (Nat Buttes U/WSMVD) KDR											
B	99999	2900	43-047-33465	NBU # 294K	WSW	22	95	20E		1/21/00	1/21/00
WELL 5 COMMENTS: 000214 entity added; (Nat Buttes U/WSMVD) KDR											

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)

Tracy J. Shaw  
Signature  
Environmental Analyst  
Title  
3/14/00  
Date  
Phone No. 435-781-7022

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>ML- 3282</b>
2. Name of Operator <b>Coastal Oil &amp; Gas Corporation</b>		6. If Indian, Allottee or Tribe Name <b>Ute Tribe</b>
3a. Address <b>P.O. Box 1148, Vernal UT 84078</b>	3b. Phone No. (include area code) <b>(435)781-7023</b>	7. If Unit or CA/Agreement, Name and/or No. <b>Natural Buttes Unit</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>SW/NE Sec.16, T9S, R21E 2265'FNL &amp; 1448'FEL</b>		8. Well Name and No. <b>NBU #299</b>
		9. API Well No. <b>43-047-33012</b>
		10. Field and Pool, or Exploratory Area <b>Natural Buttes Field</b>
		11. County or Parish, State <b>Utah UT</b>

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Drilling</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Summary</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

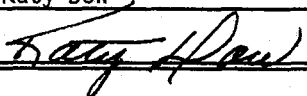
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Finished drilling from 285' to 6730'. Ran 155 jts 5 1/2" 17# N-80 LT&C 8RD Csg. Cmt w/525 sks Premium Lite II w/additivies, 11.0 ppg, 3.44 yield. Tail w/690 sks 50/50 Poz Mix w/ additivies, 14.5 ppg, 1.23 yield. Drop plug. Displace w/155 Bbls filtered 3% KCL H2O. Bump plug. Floats held. Clean out tanks and pits. Rig released @ 1500 hrs. on 3/13/00.

**RECEIVED**

**MAR 20 2000**

**DIVISION OF  
OIL, GAS AND MINING**

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>Katy Dow</b>	Title <b>Environmental Jr. Analyst</b>
	Date <b>3/14/00</b>

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>ML-3282</b>
2. Name of Operator <b>Coastal Oil &amp; Gas Corporation</b>		6. If Indian, Allottee or Tribe Name <b>Ute Tribe</b>
3a. Address <b>P.O. Box 1148, Vernal UT 84078</b>	3b. Phone No. (include area code) <b>(435)781-7023</b>	7. If Unit or CA/Agreement, Name and/or No. <b>Natural Buttes Unit</b>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>SW/NE Sec. 16, T9S, R21E 2365' FNL &amp; 1448' FEL</b>		8. Well Name and No. <b>NBU #299</b>
		9. API Well No. <b>43-047-33012</b>
		10. Field and Pool, or Exploratory Area <b>Natural Buttes Field</b>
		11. County or Parish, State <b>Utah UT</b>

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Completion</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Report</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

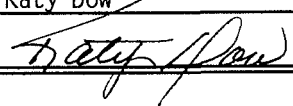
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Subject well placed on production on 3/26/00. Please refer to the attached Chronological Well History.

**RECEIVED**

**APR 10 2000**

**DIVISION OF  
OIL, GAS AND MINING**

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>Katy Dow</b>	Title <b>Environmental Jr. Analyst</b>
	Date <b>4/5/00</b>

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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THE COASTAL CORPORATION  
PRODUCTION REPORT

Chronological History

NBU #299

SW/NE SEC. 16, T9S, R21E  
NATURAL BUTTES FIELD  
UINTAH COUNTY, UTAH  
WI: 100%      AFE: PENDING  
PDTD: 6684'    PERFS: 6095'- 6409'  
CSG: 5.5" / 17# N-80 @ 6729  
FORMATION: WAS  
CWC(\$M): \$577,113

**DRILL & COMPLETION**

Drilling: 01/25/00-03/ 14/00, Spud Date: 03/05/00

03/18/00      M.I. TOO WINDY TO RU. (DAY 1)

03/19/00      **PREP TO PERF.**  
PROG: PU & RIH W/ DRAG BIT. TAGGED PBTD @ 6626'. REVERSE CIRC  
WELLBORE W/ 2% KCL. SDFWE. (DAY 2) TC: \$19,652

03/21/00      **PREP TO FRAC ON 3/23/00.**  
PROG: PICKLE TBG. SPOT 6 BBLS 15% HCL ACROSS PERF INTERVAL. POOH.  
PERF WASATCH F/ 6395' - 6409', 4 SPF, 56 HOLES. BRK DN PERFS W/ 2000# @ 5 BPM.  
ISIP: 1250#. SI WO FRAC. (DAY 3)

03/22/00      S.I. WO FRAC.

03/23/00      WO FRAC CREW. FRAC ON 3/24/00.

03/24/00      PREP TO FRAC THIS AM, 3/24/00.

03/25/00      **PREP TO DO CBP'S**  
PROG: FRAC WASATCH PERFS F/ 6395' TO 6409' W/ 48,839# 20/40 SD W/ 15% PROP  
NET & 25# FLUID. ISIP: 1698#, MTP: 2270#, ATP: 1653#, MTR: 25.8 BPM, ATR: 25.5 BPM,  
FG: 0.61, TL: 559 BBLS. SET CBP @ 6315'. PERF WASATCH F/ 6244' - 6258', 4 SPF, 56  
HOLES. 0 PRESS. BRK DN W/ 1950# @ 3 BPM. FRAC W/ 39,843#, 20/40 SD W/ 15% PROP  
NET & 25# FLUID. ISIP: 1442#, MTP: 1749#, ATP: 1259#, MTP: 21.9 BPM, ATR: 21.6 BPM,  
FG: 0.53, TL: 501 BBLS. SET CBP @ 6195#. PERF WASATCH F/ 6090' - 6110', 4 SPF, 80  
HOLES. GUNS DID NOT SHOOT. RIH & PERF WASATCH F/ 6095' - 6105', 4 SPF, 40  
HOLES. BRK DN W/ 3032# @ 3 BPM. EST INJ RATE OF 3 BPM @ 400#, ISIP: 140#.  
INTERVAL PRESS DEPLETED. CANCEL FRAC. PU & RIH W/ 4 3/4" BIT TO 6186'.  
(DAY 4)

03/26/00      **PREP TO TURN TO SALES.**  
PROG: DO CBP'S @ 6195' & 6315'. CO TO PBTD @ 6626'. PU & LAND TBG @ 6392', SN  
@ 6358'. PUMP OFF BIT SUB. OPEN TO FBT ON 28/64" CHK. FLOW BACK 15 HRS.  
CHK 28/64" TO 24/64" , CP: 500# TO 625#, FTP: 420# TO 320#, 11 BWPH TO 6 BWPH.  
TRACE TO LIGHT SD. TLTR: 784 BBLS, TLR: 161 BBLS, LLTR: 623 BBLS. EST PROD  
RATE: 750 MCFPD.  
(DAY 5)

03/27/00      **PROG: TURN TO SALES @ 12:45 PM ON 3/26/00.** SPOT PROD VOLUMES: 16/64" CHK,  
FTP: 900#, CP: 1050#, 3 BWPH, 860 MCFPD, LP: 104#.

03/28/00      **PROG: FLWD 210 MCF, 5 BW, FTP: 1115#, CP: 1400#, 16/64" CHK, 13 HRS, LP: 59#, DN 6**  
**HRS W/ PLUGGED CHK. LLTR: 616 BBL.**

03/29/00      **PROG: FLWD 699 MCF, 42 BW, FTP: 350#, CP: 540#, 40/64" CHK, 24 HRS, LP: 68#.**  
**IP DATE: 3/27/00 - FLWG 699 MCF, 42 BW, FTP: 350#, CP: 540#, 40/64" CHK, 24 HRS, LP:**  
**68#.**

**FINAL REPORT.**

---

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APR 10 2000

DIVISION OF  
OIL, GAS AND MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0137  
Expires: November 30, 2000

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry    Other _____						5. Lease Serial No. ML-3282			
b. Type of Completion: <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr., Other _____						6. If Indian, Allottee or Tribe Name Ute Tribe			
2. Name of Operator Coastal Oil & Gas Corporation						7. Unit or CA Agreement Name and No. Natural Buttes Field			
3. Address P.O. Box 1148, Vernal, UT 84078				3a. Phone No. (include area code) (435)-781-7023		8. Lease Name and Well No. NBU #299			
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface SWNE 2365' FNL & 1448' FEL  At top prod. interval reported below  At total depth						9. API Well No. 43-047-33012			
14. Date Spudded 1/23/00						15. Date T.D. Reached 3/13/00			
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod. 3/26/00						17. Elevations (DF, RKB, RT, GL)* 4893.4' GR			
18. Total Depth: MD TVD		6730'		19. Plug Back T.D.: MD TVD		20. Depth Bridge Plug Set: MD TVD			
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) N/A Dipole Sonar, CBL/GA-3-22-2000						22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit)			
23. Casing and Liner Record (Report all strings set in well)									
Hole Size	Size/Grade	Wt. (#ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/4"	8 5/8"	24#	-	285'	285'	160 SX	8	Surface	
7 7/8"	5 1/2"	17"	-	6729'	6729'	525 SX	50		
						690 SX	155		
24. Tubing Record									
Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	
2 3/8"	6392'								
25. Producing Intervals									
Formation		Top	Bottom	Perforated Interval		Size	No. Holes	Perf. Status	
A) Wasatch		6395'	6409'	6395' - 6409'		4 SPF	56	Producing	
B) Wasatch		6244'	6258'	6244' - 6258'		4 SPF	56	Producing	
C) Wasatch		6090'	6110'	6090' - 6110'		4 SPF	80	Guns Did Not Shoot	
D) Wasatch		6095'	6105'	6095' - 6105'		4 SPF	40	Press Depleted	
27. Acid, Fracture, Treatment, Cement Squeeze, Etc.									
Depth Interval		Amount and Type of Material							
6409' - 6395'		48839# 20/40 SD w/15% Prop Net & 25 Fluid. 559 Bbls Set CBP @6315#							
6244' - 6258'		39843# 20/40 SD w/15% Prop Net & 25 Fluid. 501 Bbls Set CBP @6195#							
6090' - 6110'		Guns Did Not Shoot, Intervals Press Depleted Cancel Frac							
6095' - 6105'		Break Dwn w/3032# @ 3 BPM. Intervals Press Depleted Cancel Frac.							
28. Production Interval A									
Date First Produced 3/26/00	Test Date 3/27/00	Hours Tested 24	Test Production →	Oil BBL 0	Gas MCF 699	Water BBL 42	Oil Gravity 0	Gas Gravity 0	Production Method Flowing
Choke Size 40/64	Tbg. Press. Flwg. 350#	Csg. Press. 540#	24 Hr. →	Oil BBL 0	Gas MCF 699	Water BBL 42	Gas: Oil Ratio 0	Well Status Producing	
28a. Production Interval B									
Date First Produced 3/26/00	Test Date 3/27/00	Hours Tested 24	Test Production →	Oil BBL 0	Gas MCF 699	Water BBL 42	Oil Gravity 0	Gas Gravity 0	Production Method Flowing
Choke Size 40/64	Tbg. Press. Flwg. 350#	Csg. Press. 540#	24 Hr. →	Oil BBL 0	Gas MCF 699	Water BBL 42	Gas: Oil Ratio 0	Well Status Producing	

## 28b. Production-IntervalC

Date First Produced 3/26/00	Test Date 3/27/00	Hours Tested 24	Test Production →	Oil BBL 0	Gas MCF 699	Water BBL 42	Oil Gravity 0	Gas Gravity 0	Production Method Flowing
Choke Size 40/64	Tbg. Press. Flwg. 350#	Csg. Press. 540#	24 Hr. →	Oil BBL 0	Gas MCF 699	Water BBL 42	Gas: Oil Ratio 0	Well Status Producing	

## 28c. Production-IntervalD

Date First Produced 3/26/00	Test Date 3/27/00	Hours Tested 24	Test Production →	Oil BBL 0	Gas MCF 699	Water BBL 42	Oil Gravity 0	Gas Gravity 0	Production Method Flowing
Choke Size 40/64	Tbg. Press. Flwg. 350#	Csg. Press. 540#	24 Hr. →	Oil BBL 0	Gas MCF 699	Water BBL 42	Gas: Oil Ratio 0	Well Status Producing	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold Used for Fuel

## 30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries

## 31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
Green River	1680'	4988'			
Wasatch	4988'	8038'			
Mesaverde	8038'				

**RECEIVED**

32. Additional remarks (include plugging procedure):

APR 17 2000

DIVISION OF  
OIL, GAS AND MINING

## 33. Circle enclosed attachments:

1. Electrical/Mechanical logs (1 full set req'd)    2. Geologic Report    3. DST Report    4. Directional Survey  
5. Sundry Notice for plugging and cement verification    6. Core Analysis    7. Other Chronological Well History

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) Sheila UpchegoTitle Environmental Jr. AnalystSignature Date 4/7/00

THE COASTAL CORPORATION  
PRODUCTION REPORT

Chronological History

NBU #299

SW/NE SEC. 16, T9S, R21E  
NATURAL BUTTES FIELD  
UINTAH COUNTY, UTAH  
PDTD: 6684' PERFS: 6095'- 6409'  
CSG: 5.5" / 17# N-80 @ 6729  
FORMATION: WASATCH

**DRILL & COMPLETION**

Drilling: 01/25/00-03/ 14/00, Spud Date: 03/05/00

03/18/00 M.I. TOO WINDY TO RU. (DAY 1)  
03/19/00 PREP TO PERF.  
PROG: PU & RIH W/ DRAG BIT. TAGGED PBTD @ 6626'. REVERSE CIRC  
WELLBORE W/ 2% KCL. SDFWE. (DAY 2)

03/21/00 PREP TO FRAC ON 3/23/00.  
PROG: PICKLE TBG. SPOT 6 BBLs 15% HCL ACROSS PERF INTERVAL. POOH.  
PERF WASATCH F/6395' - 6409', 4 SPF, 56 HOLES. BRK DN PERFS W/ 2000# @ 5 BPM.  
ISIP: 1250#. SI WO FRAC. (DAY 3)

03/22/00 S.I. WO FRAC.

03/23/00 WO FRAC CREW. FRAC ON 3/24/00.

03/24/00 PREP TO FRAC THIS AM, 3/24/00.

03/25/00 PREP TO DO CBP'S  
PROG: FRAC WASATCH PERFS F/ 6395' TO 6409' W/ 48,839# 20/40 SD W/ 15% PROP  
NET & 25# FLUID. ISIP: 1698#, MTP: 2270#, ATP: 1653#, MTR: 25.8 BPM, ATR: 25.5 BPM,  
FG: 0.61, TL: 559 BBLs. SET CBP @ 6315'. PERF WASATCH F/ 6244' - 6258', 4 SPF, 56  
HOLES. 0 PRESS. BRK DN W/ 1950# @ 3 BPM. FRAC W/ 39,843#, 20/40 SD W/ 15% PROP  
NET & 25# FLUID. ISIP: 1442#, MTP: 1749#, ATP: 1259#, MTP: 21.9 BPM, ATR: 21.6 BPM,  
FG: 0.53, TL: 501 BBLs. SET CBP @ 6195#. PERF WASATCH F/ 6090' - 6110', 4 SPF, 80  
HOLES. GUNS DID NOT SHOOT. RIH & PERF WASATCH F/ 6095' - 6105', 4 SPF, 40  
HOLES. BRK DN W/ 3032# @ 3 BPM. EST INJ RATE OF 3 BPM @ 400#, ISIP: 140#.  
INTERVAL PRESS DEPLETED. CANCEL FRAC. PU & RIH W/ 4 3/4" BIT TO 6186'.  
(DAY 4)

03/26/00 PREP TO TURN TO SALES.  
PROG: DO CBP'S @ 6195' & 6315'. CO TO PBTD @ 6626'. PU & LAND TBG @ 6392', SN  
@ 6358'. PUMP OFF BIT SUB. OPEN TO FBT ON 28/64" CHK. FLOW BACK 15 HRS.  
CHK 28/64" TO 24/64" , CP: 500# TO 625#, FTP: 420# TO 320#, 11 BWPH TO 6 BWPH.  
TRACE TO LIGHT SD. TLTR: 784 BBLs, TLR: 161 BBLs, LLTR: 623 BBLs. EST PROD  
RATE: 750 MCFPD.  
(DAY 5)

03/27/00 PROG: TURN TO SALES @ 12:45 PM ON 3/26/00. SPOT PROD VOLUMES: 16/64" CHK,  
FTP: 900#, CP: 1050#, 3 BWPH, 860 MCFPD, LP: 104#.

03/28/00 PROG: FLWD 210 MCF, 5 BW, FTP: 1115#, CP: 1400#, 16/64" CHK, 13 HRS, LP: 59#, DN  
6 HRS W/ PLUGGED CHK. LLTR: 616 BBL.

03/29/00 PROG: FLWD 699 MCF, 42 BW, FTP: 350#, CP: 540#, 40/64" CHK, 24 HRS, LP: 68#.  
IP DATE: 3/27/00 - FLWG 699 MCF, 42 BW, FTP: 350#, CP: 540#, 40/64" CHK, 24 HRS, LP:  
68#.

**FINAL REPORT.**

---

RECEIVED

APR 17 2000

DIVISION OF  
OIL, GAS AND MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☐ OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
El Paso Production Oil & Gas Company

3. ADDRESS OF OPERATOR: 58 South 1200 East CITY Vernal STATE Utah ZIP 84078 PHONE NUMBER: 435-789-4433

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Exhibit "A"

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:

COUNTY:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ NOTICE OF INTENT  
(Submit in Duplicate)

Approximate date work will start:

☐ SUBSEQUENT REPORT  
(Submit Original Form Only)

Date of work completion:

TYPE OF ACTION

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☒ OTHER: Name Change

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

As a result of the merger between The Coastal Corporation and a wholly owned subsidiary of El Paso Energy Corporation, the name of Coastal Oil & Gas Corporation has been changed to El Paso Production Oil & Gas Company effective March 9, 2001.

See Exhibit "A"

Bond # 400JU0708

Coastal Oil & Gas Corporation

NAME (PLEASE PRINT) John T. Elzner

TITLE Vice President

SIGNATURE

DATE 06-15-01

El Paso Production Oil & Gas Company

NAME (PLEASE PRINT) John T. Elzner

TITLE Vice President

SIGNATURE

DATE 06-15-01

RECEIVED

JUN 19 2001

DIVISION OF  
OIL, GAS AND MINING



*State of Delaware*  
*Office of the Secretary of State*

---

PAGE 1

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "COASTAL OIL & GAS CORPORATION", CHANGING ITS NAME FROM "COASTAL OIL & GAS CORPORATION" TO "EL PASO PRODUCTION OIL & GAS COMPANY", FILED IN THIS OFFICE ON THE NINTH DAY OF MARCH, A.D. 2001, AT 11 O'CLOCK A.M.

RECEIVED

JUN 14 2001

DIVISION OF  
OIL, GAS AND MINING



*Harriet Smith Windsor*  
Harriet Smith Windsor, Secretary of State

0610204 8100

AUTHENTICATION: 1061007

010162788

DATE: 04-03-01

## CERTIFICATE OF AMENDMENT

OF

## CERTIFICATE OF INCORPORATION

COASTAL OIL & GAS CORPORATION (the "Company"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of the Company, by the unanimous written consent of its members, filed with the minutes of the Board, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of the Company:

RESOLVED that it is deemed advisable that the Certificate of Incorporation of this Company be amended, and that said Certificate of Incorporation be so amended, by changing the Article thereof numbered "FIRST," so that, as amended, said Article shall be and read as follows:

"FIRST. The name of the corporation is El Paso Production Oil & Gas Company."

SECOND: That in lieu of a meeting and vote of stockholders, the stockholders entitled to vote have given unanimous written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Sections 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said COASTAL OIL & GAS CORPORATION has caused this certificate to be signed on its behalf by a Vice President and attested by an Assistant Secretary, this 9th day of March 2001.

COASTAL OIL &amp; GAS CORPORATION



David L. Siddall  
Vice President

Attest:

  
Margaret E. Roark, Assistant Secretary

RECEIVED

STATE OF DELAWARE  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
FILED 11:00 AM 03/09/2001  
010118394 - 0610204

JUN 19 2001

DIVISION OF  
OIL, GAS AND MINING



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

**RECEIVED**

JUL 12 2001

**DIVISION OF  
OIL, GAS AND MINING**

In Reply Refer To:

3106

UTSL-065841

(UT-924)

JUL 10 2001

### NOTICE

El Paso Production Oil & Gas Company	:	Oil and Gas
Nine Greenway Plaza	:	
Houston TX 77046-0095	:	

#### Name Change Recognized


Acceptable evidence has been received in this office concerning the name change of Coastal Oil & Gas Corporation into El Paso Production Oil & Gas Company with El Paso Production Oil & Gas Company being the surviving entity.

For our purposes, the name change is recognized effective March 9, 2001.

The oil and gas lease files identified on the enclosed exhibit have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our computer program. We have not abstracted the lease files to determine if the entities affected by this name change hold an interest in the leases identified nor have we attempted to identify leases where the entities are the operator on the ground maintaining no vested recorded title or operating rights interests. We will be notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

If you identify additional leases in which the entities maintain an interest, please contact this office and we will appropriately document those files with a copy of this Notice.

Due to the name change, the name of the principal/obligor on the bond is required to be changed from Coastal Oil & Gas Corporation to El Paso Production Oil & Gas Company. You may accomplish this either by consent of surety rider on the original bond or a rider to the original bond. The bonds are held in Wyoming and Colorado.



Opolonia L. Abeyta  
Acting Chief, Branch of  
Minerals Adjudication

Enclosure

1. Exhibit of Leases (1 pp)

cc: Moab Field Office  
Vernal Field Office  
MMS, Reference Data Branch, MS3130, PO Box 5860, Denver CO 80217  
State of Utah, DOGM, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC UT 84114  
Teresa Thompson (UT-922)  
Joe Incardine (UT-921)

### Exhibit of Leases

UTUSL-065841A	UTU-47172	UTU-74415	UTU-53860
UTU-28652	UTU-50687	UTU-74416	UTU-66401
UTU-37943	UTU-52298	UTU-75091	UTU-67868
UTU-44089	UTU-0109054	UTU-75096	UTU-65389
UTU-44090A	UTU-0143511	UTU-75097	UTU-77084
UTU-61263	UTU-0143512	UTU-75673	UTU-61430
UTU-00343	UTU-38401	UTU-76259	UTU-72633
UTU-02651	UTU-38411	UTU-76260	UTU-72650
UTU-02651B	UTU-38418	UTU-76261	UTU-49692
UTU-0142175	UTU-38419	UTU-76493	UTU-57894
UTU-70235	UTU-38420	UTU-76495	UTU-76829
UTU-70406	UTU-38421	UTU-76503	UTU-76830
UTU-74954	UTU-38423	UTU-78228	UTU-76831
UTU-75132	UTU-38424	UTU-78714	
UTU-75699	UTU-38425	UTU-78727	
UTU-76242	UTU-38426	UTU-78734	
UTU-78032	UTU-38427	UTU-79012	
UTU-4377	UTU-38428	UTU-79011	
UTU-4378	UTU-53861	UTU-71694	
UTU-7386	UTU-58097	UTU-00576	
UTU-8344A	UTU-64376	UTU-00647	
UTU-8345	UTU-65222	UTU-01470D	
UTU-8347	UTU-65223	UTU-0136484	
UTU-8621	UTU-66746	UTU-8344	
UTU-14646	UTU-67178	UTU-8346	
UTU-15855	UTU-67549	UTU-8648	
UTU-25880	UTU-72028	UTU-28212	
UTU-28213	UTU-72632	UTU-30289	
UTU-29535	UTU-73009	UTU-31260	
UTU-29797	UTU-73010	UTU-33433	
UTU-31736	UTU-73013	UTU-34711	
UTU-34350	UTU-73175	UTU-46699	
UTU-34705	UTU-73434	UTU-78852	
UTU-37116	UTU-73435	UTU-78853	
UTU-37355	UTU-73444	UTU-78854	
UTU-37573	UTU-73450	UTU-075939	
UTU-38261	UTU-73900	UTU-0149767	
UTU-39223	UTU-74409	UTU-2078	
UTU-40729	UTU-74410	UTU-44426	
UTU-40736	UTU-74413	UTU-49530	
UTU-42469	UTU-74414	UTU-51026	

**OPERATOR CHANGE WORKSHEET****ROUTING**

1. GLH		4-KAS
2. CDW ✓		5-LP
3. JLT		6-FILE

Enter date after each listed item is completed

Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

**X**      **Merger**The operator of the well(s) listed below has changed, effective: **3-09-2001**

<b>FROM:</b> (Old Operator):
COASTAL OIL & GAS CORPORATION
Address: 9 GREENWAY PLAZA STE 2721
HOUSTON, TX 77046-0995
Phone: 1-(713)-418-4635
Account N0230

<b>TO:</b> ( New Operator):
EL PASO PRODUCTION OIL & GAS COMPANY
Address: 9 GREENWAY PLAZA STE 2721 RM 2975B
HOUSTON, TX 77046-0995
Phone: 1-(832)-676-4721
Account N1845

**CA No.****Unit:** NATURAL BUTTES**WELL(S)**

NAME	API NO	ENTITY NO	SEC TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
NBU 54-2B	43-047-30475	2900	02-09S-21E	STATE	GW	P
NBU 312-2E	43-047-32288	2900	02-09S-21E	STATE	GW	P
NBU 333-2E	43-047-32518	2900	02-09S-21E	STATE	GW	P
NBU-CIGE 19-16-9-21	43-047-30459	2900	16-09S-21E	STATE	GW	P
NBU-CIGE 86D-16-9-21	43-047-30886	2900	16-09S-21E	STATE	GW	P
CIGE 127-16-9-21	43-047-32036	2900	16-09S-21E	STATE	GW	P
CIGE 156-16-9-21	43-047-32195	2900	16-09S-21E	STATE	GW	P
CIGE 180-16-9-21	43-047-32478	2900	16-09S-21E	STATE	GW	P
CIGE 217-16-9-21	43-047-32898	2900	16-09S-21E	STATE	GW	P
NBU 299	43-047-33012	2900	16-09S-21E	STATE	GW	P
CIGE 42-25-9-21	43-047-30492	2900	25-09S-21E	STATE	GW	P
NBU CIGE 99D-25-9-21J	43-047-31223	2900	25-09S-21E	STATE	GW	P
CIGE 98D-25-9-21	43-047-31727	2900	25-09S-21E	STATE	GW	P
COG NBU 97	43-047-31744	2900	25-09S-21E	STATE	GW	P
COG NBU 99	43-047-31745	2900	25-09S-21E	STATE	GW	P
CIGE 142-25-9-21	43-047-31994	2900	25-09S-21E	STATE	GW	P
NBU 167	43-047-32054	2900	25-09S-21E	STATE	GW	S
CIGE 172-25-9-21	43-047-32325	2900	25-09S-21E	STATE	GW	P
NBU 257	43-047-32790	2900	25-09S-21E	STATE	GW	P
CIGE 235-25-9-21	43-047-32858	2900	25-09S-21E	STATE	GW	P

**OPERATOR CHANGES DOCUMENTATION**

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 06/19/2001
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 06/19/2001
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 06/21/2001
- Is the new operator registered in the State of Utah: YES Business Number: 608186-0143

5. If **NO**, the operator was contacted on: N/A
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 07/10/2001
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: 07/10/2001
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

---

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 07/17/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 07/17/2001
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

---

**STATE BOND VERIFICATION:**

1. State well(s) covered by Bond No.: 400JU0705

---

**FEDERAL BOND VERIFICATION:**

1. Federal well(s) covered by Bond No.: N/A

---

**FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond No: N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: \_\_\_\_\_

---

**FILMING:**

1. All attachments to this form have been **MICROFILMED** on: \_\_\_\_\_

---

**FILING:**

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filled in each well file on: \_\_\_\_\_

---

**COMMENTS:** Master list of all wells involved in operator change from Coastal Oil & Gas Corporation to El Paso Production Oil and Gas Company shall be retained in the "Operator Change File".

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United States Department of the Interior **RECEIVED**

BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

FEB 22 2002

DIVISION OF  
OIL, GAS AND MINING

In Reply Refer To:

3106

UTU-25566 et al  
(UT-924)

FEB 21 2002

NOTICE

Westport Oil and Gas Company L.P. : Oil and Gas  
410 Seventeenth Street, #2300 :  
Denver Colorado 80215-7093 :

Name Change Recognized

Acceptable evidence has been received in this office concerning the name change of Westport Oil and Gas Company, Inc. into Westport Oil and Gas Company, L.P. with Westport Oil and Gas Company, L.P. being the surviving entity.

For our purposes, the name change is recognized effective December 31, 2001.

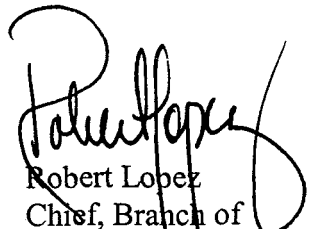
The oil and gas lease files identified have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our computer program. We have not abstracted the lease files to determine if the entities affected by this name change hold an interest in the leases identified nor have we attempted to identify leases where the entities are the operator on the ground maintaining no vested recorded title or operating rights interests. We will be notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

If you identify additional leases in which the entities maintain an interest, please contact this office and we will appropriately document those files with a copy of this Notice.



Due to the name change, the name of the principal/obligor on the bond is required to be changed from Westport Oil and Gas Company, Inc. to Westport Oil and Gas Company, L.P.. You may accomplish this either by consent of surety rider on the original bond or a rider to the original bond. The bonds are held in Colorado.

UTU-03405  
UTU-20895  
UTU-25566  
UTU-43156  
UTU-49518  
UTU-49519  
UTU-49522  
UTU-49523



Robert Lopez  
Chief, Branch of  
Minerals Adjudication

cc: Moab Field Office  
Vernal Field Office  
MMS, Reference Data Branch, MS3130, PO Box 5860, Denver CO 80217  
State of Utah, DOGM, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC UT 84114  
Teresa Thompson (UT-922)  
Joe Incardine (UT-921)

# memorandum

Branch of Real Estate Services  
Uintah & Ouray Agency

Date: 5 December, 2002

Reply to  
Attn of: Supervisory Petroleum Engineer

Subject: Modification of Utah Division of Oil, Gas and Mining Regulations

To: Director, Utah Division of Oil, Gas and Mining Division: John Baza

We have been advised of changes occurring with the operation of your database for Change of Operator. You will be modifying your records to reflect Change of Operator once you have received all necessary documentation from the companies involved, and perhaps in advance of our Notice of Concurrence/Approval of Change of Operator where Indian leases are involved.

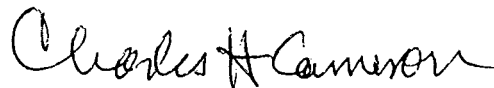
We have no objection.

With further comment to Rulemaking, I wish to comment concerning the provision of Exhibits for upcoming Hearings. I would like to see the Uintah & Ouray Agency, BIA, and the Ute Indian Tribe, Energy & Mineral Resources Department added to the list of those parties that receive advance Exhibits so as to allow us to have research time prior to Hearing dates. We will be able to provide a more informed recommendation to the Oil, Gas and Mining Board. It would be best if we would receive only those Exhibits that concern Indian lands, specifically on or adjacent to Indian lands. This may be a difficult situation to attain, as it is not always clear where 'on or adjacent' occurs.

I am aware that you have gone to extra effort to correct this matter already, and I fully appreciate it. My request is intended only to allow the addition of Uintah & Ouray Agency and Ute Indian Tribe to the official listing.

We appreciate your concern, and hope that these comments are timely enough for consideration in the revision process.

CC: Minerals & Mining Section of RES  
Ute Energy & Mineral Resources Department: Executive Director  
chrono



JAN. 17. 2003 3:34PM

WESTPORT

NO. 173 P. 2

**WESTPORT OIL AND GAS COMPANY, L.P.**

410 Seventeenth Street #2300 Denver Colorado 80202-4436  
Telephone: 303 573 5404 Fax: 303 573 5609

**February 1, 2002**

Department of the Interior  
Bureau of Land Management  
2850 Youngfield Street  
Lakewood, CO 80215-7093  
Attention: Ms. Martha Maxwell

**RE: BLM Bond CO-1203**  
**BLM Nationwide Bond 158626364**  
**Surety - Continental Casualty Company**  
**Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.**  
**Conversion of Westport Oil and Gas Company, Inc., into Westport Oil and Gas Company, L.P.**  
**Assumption Rider - Westport Oil and Gas Company, L.P.**

**Dear Ms. Maxwell:**

Pursuant to our recent conversations, please find the following list of enclosures for the BLM's consideration and approval:

Two (2) Assumption Riders, fully executed originals.  
Copies of Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.  
Copies of Westport Oil and Gas Company, Inc., conversion into Westport Oil and Gas Company, L.P.  
List of all Federal/BIA/State Leases - Belco/Westport's leases - in all states.

Please inform us of any additional information needed to complete the change to Westport Oil and Gas Company, L.P., as operator of record.

I thank you for your assistance and cooperation in this matter. Please do not hesitate contacting the undersigned, should a question arise.

Sincerely,  
Westport Oil and Gas Company, L.P.

Debby J. Black  
Engineer Technician

**Encl:**



# United States Department of the Interior

**BUREAU OF INDIAN AFFAIRS**

Washington, D.C. 20240

**FEB 10 2003**

IN REPLY REFER TO:

**Real Estate Services**

Carroll A. Wilson  
Principal Landman  
Westport Oil and Gas Company, L.P.  
1368 South 1200 East  
Vernal, Utah 84078

Dear Mr. Wilson:

This is in response to your request for approval of RLI Insurance Company's Nationwide Oil and Gas Lease Bond No. RLB0005239 executed effective December 17, 2002, (\$150,000 coverage) with Westport Oil and Gas Company, L. P., as principal.

This bond is hereby approved as of the date of this correspondence and will be retained in the Bureau of Indian Affairs' Division of Real Estate Services, 1849 C Street, NW, MS-4512-MIB, Washington, D.C. 20240. All Bureau oil and gas regional offices and the surety are being informed of this action.

In cases where you have existing individual and/or collective bonds on file with one or more of our regional offices, you may now request those offices, directly, to terminate in lieu of coverage under this Nationwide Bond.

Enclosed is a copy of the approved bond for your files. If we may be of further assistance in this matter, please advise.

Sincerely,

Director, Office of Trust Responsibilities

**ACTING**

Enclosure



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

IN REPLY REFER TO  
UT-922

February 27, 2003

Westport Oil and Gas Company, L.P.  
Attn: Gary D. Williamson  
1670 Broadway, Suite 2800  
Denver, Colorado 80202

Re: Natural Buttes Unit  
Uintah County, Utah

Gentlemen:

On February 27, 2003, we received an indenture dated December 17, 2002, whereby El Paso Production Oil & Gas Company resigned as Unit Operator and Westport Oil and Gas Company, L.P., was designated as Successor Unit Operator for the Natural Buttes Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective February 27, 2003. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Natural Buttes Unit Agreement.

Your nationwide (Colorado) oil and gas bond No. 1203 will be used to cover all operations within the Natural Buttes Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks  
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)  
SITLA  
Division of Oil, Gas & Mining  
Minerals Adjudication Group  
File - Natural Buttes Unit (w/enclosure)  
Agr. Sec. Chron  
Fluid Chron  
UT922:TAThompson:tt:02/27/2003

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☐ OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
El Paso Production Oil & Gas Company

3. ADDRESS OF OPERATOR:  
9 Greenway Plaza Houston STATE TX ZIP 77064-0995 PHONE NUMBER: (832) 676-5933

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

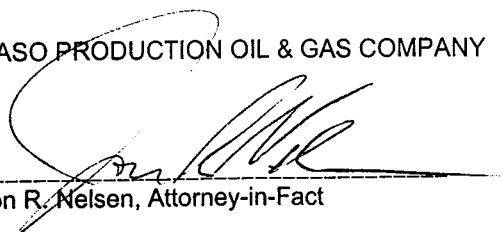
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator change to Westport Oil and Gas Company, L.P., 1670 Broadway, Suite 2800, Denver, CO. 80202-4800, effective December 17, 2002.

BOND # \_\_\_\_\_

State Surety Bond No. RLB0005236  
Fee Bond No. RLB0005238

EL PASO PRODUCTION OIL & GAS COMPANY

By:   
Jon R. Nelsen, Attorney-in-Fact

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

WESTPORT OIL AND GAS COMPANY, L.P.  
NAME (PLEASE PRINT) David R. Dix

TITLE Agent and Attorney-in-Fact

SIGNATURE 

DATE

12/17/02

(This space for State use only)

Form 3160-5  
(August 1999)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## SUNDRY NOTICES AND REPORTS ON WELLS

*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

5. Lease Serial No.

SEE ATTACHED EXHIBIT "A"

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

SEE ATTACHED EXHIBIT "A"

9. API Well No.

SEE ATTACHED EXHIBIT "A"

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UT

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

WESTPORT OIL &amp; GAS COMPANY, L.P.

3a. Address

P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEE ATTACHED EXHIBIT "A"

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

## TYPE OF SUBMISSION

## TYPE OF ACTION

☐ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ OtherSUCCESSOR OF  
OPERATOR

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zc. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed when testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.

WESTPORT OIL & GAS COMPANY, L.P., IS CONSIDERED TO BE THE OPERATOR ON THE ATTACHED DESCRIBED LANDS AND IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE FOR THE OPERATIONS CONDUCTED ON THE LEASED LANDS OR PORTIONS THEREOF, BOND COVERAGE FOR THIS WELL IS PROVIDED BY FEDERAL NATIONWIDE BOND NO. 158626364, EFFECTIVE FEBRUARY 1, 2002, AND BIA NATIONWIDE BOND NO. RLB0005239, EFFECTIVE FEBRUARY 10, 2003.

RECEIVED

MAR 04 2003

DIV. OF OIL, GAS &amp; MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

CHERYL CAMERON

Title

OPERATIONS

Signature

Date

March 4, 2003

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

## OPERATOR CHANGE WORKSHEET

## ROUTING

- |         |
|---------|
| 1. GLH  |
| 2. CDW  |
| 3. FILE |

**X Change of Operator (Well Sold)**

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: **12-17-02**

<b>FROM: (Old Operator):</b>	<b>TO: ( New Operator):</b>
EL PASO PRODUCTION OIL & GAS COMPANY	WESTPORT OIL & GAS COMPANY LP
Address: 9 GREENWAY PLAZA	Address: P O BOX 1148
HOUSTON, TX 77064-0995	VERNAL, UT 84078
Phone: 1-(832)-676-5933	Phone: 1-(435)-781-7023
Account No. N1845	Account No. N2115

CA No. Unit: NATURAL BUTTES

## WELL(S)

NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
NBU 299	16-09S-21E	43-047-33012	2900	STATE	GW	P
CIGE 180-16-9-21	16-09S-21E	43-047-32478	2900	STATE	GW	P
CIGE 156-16-9-21	16-09S-21E	43-047-32195	2900	STATE	GW	P
CIGE 157-16-9-21	16-09S-21E	43-047-32160	2900	FEDERAL	GW	P
NBU CIGE 19-16-9-21	16-09S-21E	43-047-30459	2900	STATE	GW	P
NBU CIGE 78C-16-9-21	16-09S-21E	43-047-30870	2900	FEDERAL	GW	P
NBU CIGE 86D-16-9-21	16-09S-21E	43-047-30886	2900	STATE	GW	P
NBU 124	16-09S-21E	43-047-31971	2900	FEDERAL	GW	P
NBU 104	16-09S-21E	43-047-31957	2900	STATE	GW	P
CIGE 127-16-9-21	16-09S-21E	43-047-32036	2900	STATE	GW	P
CIGE 200-16-9-21	16-09S-21E	43-047-32802	2900	FEDERAL	GW	P
NBU 228	17-09S-21E	43-047-32636	2900	FEDERAL	GW	P
NBU 316-17E	17-09S-21E	43-047-32381	2900	FEDERAL	GW	P
NBU 125	17-09S-21E	43-047-32350	2900	FEDERAL	GW	P
NBU 254	17-09S-21E	43-047-32803	2900	FEDERAL	GW	P
NBU 105	17-09S-21E	43-047-32302	2900	FEDERAL	GW	P
NBU 370	17-09S-21E	43-047-34672	99999	FEDERAL	GW	APD
CIGE 72-18-9-21	18-09S-21E	43-047-30634	2900	FEDERAL	GW	P
CIGE 201-18-9-21	18-09S-21E	43-047-32804	2900	FEDERAL	GW	P
NBU 30-18B	18-09S-21E	43-047-30380	2900	FEDERAL	GW	P

## OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 02/28/2003
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 03/04/2003
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/06/2003
- Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- If **NO**, the operator was contacted on: \_\_\_\_\_



6. (R649-9-2)Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM-12/31/2003 BIA-12/5/02

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 02/27/2003

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 03/11/2003
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 03/11/2003
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

**STATE WELL(S) BOND VERIFICATION:**

1. State well(s) covered by Bond Number: RLB 0005236

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: 158626364

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number: RLB 0005239

**FEE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB 0005238
2. The **FORMER** operator has requested a release of liability from their bond on: N/A  
The Division sent response by letter on: N/A

**LEASE INTEREST OWNER NOTIFICATION:**

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

**COMMENTS:**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

**Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
WESTPORT OIL & GAS COMPANY, L.P.

3a. Address  
P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)  
(435) 781-

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Multiple Wells - see attached

5. Lease Serial No.  
Multiple Wells - see attached

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
891008900A

8. Well Name and No.

Multiple Wells - see attached

9. API Well No.

Multiple Wells - see attached

10. Field and Pool, or Exploratory Area

Natural Buttes Unit

11. County or Parish, State

Uintah County, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

Westport Oil & Gas requests a variance to Onshore Order No. 4, Part IIIC.a. requiring each sales tank be equipped with a pressure-vacuum thief hatch and/or vent line valve. The variance is requested as an economic analysis shows the value of the shrunk condensate will not payout the incremental cost of purchasing and maintaining the valve resulting in a loss of value over the producing life of the well.

The volume lost to shrinkage by dropping the tank pressure from 6 ozs. to 0 psig is shown to be 0.3% of the tank volume. This was determined by lab analysis of a representative sample from the field. The sample shrunk from 98.82% of original volume to 98.52% when the pressure was dropped. The average NBU well produces approximately 6 bbls condensate per month. The resulting shrinkage would amount to 0.56 bbls per month lost volume due to shrinkage. The value of the shrunk and lost condensate does not recoup or payout the cost of installing and maintaining the valves and other devices that hold the positive tank pressure. An economic run based on the loss and costs is attached.

Westport Oil & gas requests approval of this variance in order to increase the value of the well to the operator and the mineral royalty owners.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

J.T. Conley

Signature

COPY SENT TO OPERATOR

Date:

Initials:

Title

Date

Operations Manager

SEP 10 2003

DIV. OF OIL, GAS & MINING

9-2-2003

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Federal Approval of This Action Is Necessary

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Date:

Accepted by the  
Utah Division of  
Oil, Gas and Mining

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

# Westport Oil & Gas, L.P.

## Project Economics Worksheet

### Instructions:

Fill in blue boxed areas with before and after project data. The evaluation results are shown below and graphed automatically at the bottom of the page. This sheet is protected to prevent accidental alteration of the formulas. See JTC for changes. OPX entered as annual costs and/or as unit OPX costs for \$/BF and \$/MCF

Project Name:

Condensate Shrinkage Economics

Is this job a well pull or production rig job ???

N (Y or N)

	BEFORE \$/Year	AFTER \$/Year	DIFFERENCE \$/Year
Gross Oil Revenue	\$1,088	\$1,099	\$11
Gross Gas Revenue	\$0	\$0	\$0
NGL Revenue	\$0	\$0	\$0
PULLING UNIT SERVICE			\$0
WIRELINE SERVICE			\$0
SUBSURF EQUIP REPAIRS			\$0
COMPANY LABOR			\$0
CONTRACT LABOR	\$0	\$200	\$200
CONTR SERVICE			\$0
LEASE FUEL GAS	\$0	\$0	\$0
UTILITIES - ELECTRICITY	\$0	\$0	\$0
CHEMICAL TREATING			\$0
MATERIAL & SUPPLY	\$0	\$150	\$150
WATER & HAULING			\$0
ADMINISTRATIVE COSTS			\$0
GAS PLANT PROCESSING			\$0
<b>Totals</b>	<b>\$0</b>	<b>\$350</b>	<b>\$350</b>

Increased OPX Per Year

### Investment Breakdown:

	Cap/Exp Code	Cost, \$
Capital \$	820/830/840	\$1,200
Expense \$	830/860	\$0
<b>Total \$</b>		<b>\$1,200</b>

Oil Price	\$ 23.00	\$/BO
Gas Price	\$ 3.10	\$/MCF
Electric Cost	\$ -	\$/ HP / day
OPX/BF	\$ 2.00	\$/BF
OPX/MCF	\$ 0.62	\$/MCF

### Production & OPX Detail:

	Before		After		Difference	
Oil Production	0.192	BOPD	0.194	BOPD	0.002	BOPD
Gas Production	0	MCFPD	0	MCFPD	0	MCFPD
Wtr Production	0	BWPD	0	BWPD	0	BWPD
Horse Power		HP		HP	0	HP
Fuel Gas Burned		MCFPD		MCFPD	0	MCFPD

### Project Life:

Life = 20.0 Years  
(Life no longer than 20 years)

### Internal Rate of Return:

After Tax IROR = #DIV/0!

### AT Cum Cashflow:

Operating Cashflow = (\$2,917) (Discounted @ 10%)

### Payout Calculation:

Payout =  $\frac{\text{Total Investment}}{\text{Sum(OPX + Incremental Revenue)}}$  = 1

Payout occurs when total AT cashflow equals investment  
See graph below, note years when cashflow reaches zero

Payout = NEVER Years or #VALUE! Days

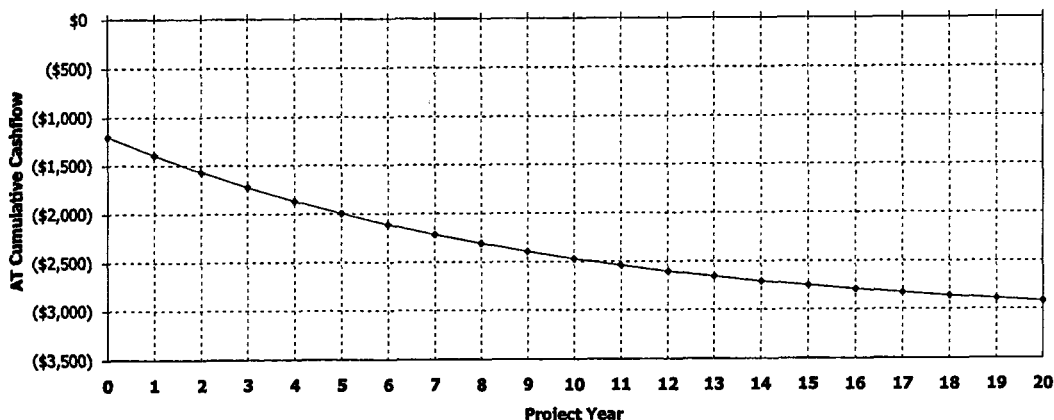
### Gross Reserves:

Oil Reserves = 6 BO  
Gas Reserves = 0 MCF  
Gas Equiv Reserves = 38 MCFE

### Notes/Assumptions:

An average NSU well produces 0.192 Bcpd with no tank pressure. The production is increased to 0.196 Bcpd if 6 ozs of pressure are placed on the tank. The increased production does not payout the valve cost or the estimated annual maintenance costs.

Project: Condensate Shrinkage Economics



# Westport Oil and Gas, Inc.

NBU/Ouray Field

RFL 2003-022

## COMPARISON OF FLASH BACK PRESSURES

Calculated by Characterized Equation-of-State

Flash Conditions		Gas/Oil Ratio ( scf/STbbl ) (A)	Specific Gravity of Flashed Gas ( Air=1.000 )	Separator Volume Factor (B)	Separator Volume Percent (C)
psig	°F				

### Calculated at Laboratory Flash Conditions

80	70			1.019	
0	122	30.4	0.993	1.033	101.37%
0	60	0.0	—	1.000	98.14%

### Calculated Flash with Backpressure using Tuned EOS

80	70			1.015	
6.0 oz	65	24.6	0.777	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
4.0 oz	65	24.7	0.778	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
2.0 oz	65	24.7	0.779	1.003	98.82%
0	60	0.0	—	1.000	98.52%
80	70			1.015	
0	65	24.8	0.780	1.003	98.82%
0	60	0.0	—	1.000	98.52%

(A) Cubic Feet of gas at 14.696 psia and 60 °F per Barrel of Stock Tank Oil at 60 °F.

(B) Barrels of oil at indicated pressure and temperature per Barrel of Stock Tank Oil at 60 °F.

(C) Oil volume at indicated pressure and temperature as a percentage of original saturated oil volume.

Note: Bubblepoint of sample in original sample container was 80 psig at 70° F with 1 cc water

NBU 260	20-9-21 SENE	UTU0570	891008900A	430473300900S1
NBU 261	30-9-21 SENW	UTU0581	891008900A	430473292800S1 ✓
NBU 262	33-9-21 NENE	UTU0576	891008900A	430473292900S1
NBU 263	34-9-21 SENW	U01194	891008900A	430473279300S1 ✓
NBU 264	1-10-21 SESW	U02842B	891008900A	430473300000S1
NBU 265	2-10-21 NESE	ML13826	891008900A	430473279600S1 ✓
NBU 266	10-10-21 SWNW	UTU0149079	891008900A	430473294100S1
NBU 267	10-10-21 NESW	UTU01416A	891008900A	430473294200S1
NBU 268	11-10-21 NENE	U01190	891008900A	430473300100S1
NBU 269	12-10-21 SWNW	UTU1196D	891008900A	430473347300S1
NBU 270	13-10-21 SWNW	ML23608	891008900A	430473286200S1 ✓
NBU 271	24-10-20 SWNW	UTU4485	891008900A	430473288700S1
NBU 272	11-10-22 SWNE	U01197A	891008900A	430473288900S1 ✓
NBU 273	22-9-21 NWNW	UTU0147566	891008900A	430473290600S1
NBU 274	23-9-21 NESW	UTU149075	891008900A	430473290700S1
NBU 275	9-9-21 NWSW	UTU01188	891008900A	430473290500S1
NBU 277	19-9-22 SENE	UTU0284	891008900A	430473304200S1
NBU 278	30-9-22 SWSW	U463	891008900A	430473301100S1
NBU 280	31-9-22 NESW	ML22935A	891008900A	430473286500S1 ✓
NBU 281	32-9-22 SWSW	ML22649	891008900A	430473286600S1 ✓
NBU 282	32-9-22 NESE	ML22649	891008900A	430473286700S1
NBU 285	3-10-22 NWNW	UTU01191	891008900A	430473297600S1
NBU 286	3-10-22 SENW	UTU01191	891008900A	430473298400S1
NBU 287	3-10-22 NESE	UTU01191A	891008900A	430473298500S1
NBU 288	3-10-22 NWSW	UTU01191	891008900A	430473298600S1
NBU 289	3-10-22 SESW	UTU01191	891008900A	430473291000S1
NBU 290	3-10-22 SWSE	UTU01191A	891008900A	430473298700S1
NBU 291	9-10-22 NENE	UTU01196D	891008900A	430473291100S1
NBU 292	9-10-22 SWNE	UTU1196D	891008900A	430473347400S1
NBU 293	10-10-22 SENE	UTU025187	891008900A	430473318200S1
NBU 294X	22-9-20 NENW	UTU0577B	891008900A	430473346500S1
NBU 295	12-10-20 SWSW	UTU4478	891008900A	430473293900S1
NBU 296	24-10-20 NWNE	UTU4485	891008900A	430473288600S1
NBU 297	11-9-21 SWNW	UTU0141315	891008900A	430473304000S1
NBU 298	15-9-21 NESW	UTU01188	891008900A	430473304100S1
NBU 299	16-9-21 SWNE	ML3282	891008900A	430473301200S1
NBU 300	21-9-21 NWNW	UTU0576	891008900A	430473302300S1
NBU 301	25-9-21 NWSW	U01194	891008900A	430473285900S1 ✓
NBU 302	26-9-21 SWNW	U01194	891008900A	430473287700S1 ✓
NBU 303	26-9-21 SESE	ML22934	891008900A	430473287800S1 ✓
NBU 304	27-9-21 SESE	U01194A	891008900A	430473287900S1 ✓
NBU 305	27-9-21 SWSE	U01194A	891008900A	430473288000S1 ✓
NBU 306	27-9-21 NWNW	U01194A	891008900A	430473286000S1 ✓
NBU 307	28-9-21 NWNE	U05676	891008900A	430473300700S1
NBU 308	28-9-21 SENW	U05676	891008900A	430473314300S1
NBU 309	30-9-21 NENE	UTU0581	891008900A	430473301000S1
NBU 310	35-9-21 NENW	U01194	891008900A	430473288200S1 ✓
NBU 311	4-10-22 NESE	UTU01191	891008900A	430473283700S1
NBU 312-E2	2-9-21 SWSE	UTU21510	891008900A	430473228800S1 ✓
NBU 313	4-10-22 NENW	UTU01191A	891008900A	430473283800S1
NBU 315	11-9-21 SENE	UTU0141317	891008900A	430473387900S1
NBU 316	11-9-21 SWNE	UTU0141317	891008900A	430473441300S1
NBU 317	13-9-21 NENE	U-01193	891008900A	430473392100S1
NBU 318	13-9-21 SWNE	UTU01193	891008900A	430473388000S1
NBU 320	25-9-21 NWNW	U01189	891008900A	430473320100S1
NBU 321	26-9-21 SWSW	U01194	891008900A	430473320200S1 ✓
NBU 322	34-9-21 SESW	U01994	891008900A	430473320300S1 ✓
NBU 323	30-9-22 NENE	U-463	891008900A	430473405000S1
NBU 326	31-9-22 NESW	ML22935A	891008900A	430473320400S1 ✓
NBU 327	33-9-22 SWSE	UTU01191	891008900A	430473373500S1
NBU 329	1-10-21 NESW	UTU02842B	891008900A	430473322700S1
NBU 330	3-10-21 NENE	UTU0149078	891008900A	430473322800S1
NBU 331	3-10-21 NWNE	UTU0149078	891008900A	430473322900S1

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. DJJ

2. CDW

**X Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

**1/6/2006**

**FROM: (Old Operator):**

N2115-Westport Oil & Gas Co., LP  
 1368 South 1200 East  
 Vernal, UT 84078

Phone: 1-(435) 781-7024

**TO: ( New Operator):**

N2995-Kerr-McGee Oil & Gas Onshore, LP  
 1368 South 1200 East  
 Vernal, UT 84078

Phone: 1-(435) 781-7024

**CA No.**

**Unit:**

**NATURAL BUTTES UNIT**

WELL NAME

SEC TWN RNG

API NO

ENTITY

LEASE

WELL

WELL

NO

TYPE

TYPE

STATUS

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/10/2006
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
3. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- 4a. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- 4b. If **NO**, the operator was contacted on: \_\_\_\_\_
- 5a. (R649-9-2) Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: n/a 3 LA wells & all PA wells transferred
- 5c. Reports current for Production/Disposition & Sundries on: ok
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/27/2006 BIA not yet
7. **Federal and Indian Units:**  
 The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006
8. **Federal and Indian Communization Agreements ("CA"):**  
 The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: \_\_\_\_\_

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 5/15/2006
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/15/2006
3. Bond information entered in RBDMS on: 5/15/2006
4. Fee/State wells attached to bond in RBDMS on: 5/16/2006
5. Injection Projects to new operator in RBDMS on: \_\_\_\_\_
6. Receipt of Acceptance of Drilling Procedures for APD/New on: n/a Name Change Only

**BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: CO1203
2. Indian well(s) covered by Bond Number: RLB0005239
3. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0005236
- a. The **FORMER** operator has requested a release of liability from their bond on: n/a rider added KMG
- The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

4. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 5/16/2006

**COMMENTS:**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEE ATTACHED

5. Lease Serial No.

MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other CHANGE OF OPERATOR

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

PLEASE BE ADVISED THAT KERR-McGEE OIL & GAS ONSHORE LP, IS CONSIDERED TO BE THE OPERATOR OF THE ATTACHED WELL LOCATIONS. EFFECTIVE JANUARY 6, 2006.

KERR-McGEE OIL & GAS ONSHORE LP, IS RESPONSIBLE UNDER TERMS AND CONDITIONS OF THE LEASE(S) FOR THE OPERATIONS CONDUCTED UPON LEASE LANDS. BOND COVERAGE IS PROVIDED BY STATE OF UTAH NATIONWIDE BOND NO. RLB0005237.

BLM BOND = C01203

BIA BOND = RLB0005239

APPROVED 5/16/06

Earlene Russell  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

RANDY BAYNE

Signature

Title

DRILLING MANAGER

Date

May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

RECEIVED

MAY 10 2006

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

5. Lease Serial No.

MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

WESTPORT OIL & GAS COMPANY L.P.

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEE ATTACHED

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other CHANGE OF OPERATOR
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

EFFECTIVE JANUARY 6, 2006, WESTPORT OIL & GAS COMPANY L.P., HAS RELINQUISHED THE OPERATORSHIP OF THE ATTACHED WELL LOCATIONS TO KERR-McGEE OIL & GAS ONSHORE LP.

APPROVED 5/16/06  
*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

RECEIVED  
MAY 10 2006

DIV OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

BRAD LANEY

Signature

Title

ENGINEERING SPECIALIST

Date

May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

*Brad Laney*

Title

Date

5-9-06

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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(Instructions on reverse)